OVERSIGHT AND REAUTHORIZATION OF THE BOAT SAFETY ACCOUNT

HEARING

BEFORE THE

SUBCOMMITTEE ON
COAST GUARD AND NAVIGATION

OF THE

COMMITTEE ON
MERCHANT MARINE AND FISHERIES
HOUSE OF REPRESENTATIVES

ONE HUNDREDTH CONGRESS

SECOND SESSION

ON

H.R. 3918

TO AUTHORIZE EXPENDITURES FOR BOATING SAFETY PROGRAMS, AND FOR OTHER PURPOSES

APRIL 28, 1988

Serial No. 100-62

Printed for the use of the
Committee on Merchant Marine and Fisheries

U.S. GOVERNMENT PRINTING OFFICE
88-124 WASHINGTON : 1988

For sale by the Superintendent of Documents, Congressional Sales Office
U.S. Government Printing Office, Washington, DC 20402

H561-8

COMMITTEE ON MERCHANT MARINE AND FISHERIES

WALTER B. JONES, North Carolina, *Chairman*

MARIO BIAGGI, New York
GLENN M. ANDERSON, California
GERRY E. STUDDS, Massachusetts
CARROLL HUBBARD, Jr., Kentucky
DON BONKER, Washington
WILLIAM J. HUGHES, New Jersey
MIKE LOWRY, Washington
EARL HUTTO, Florida
W.J. (BILLY) TAUZIN, Louisiana
THOMAS M. FOGLIETTA, Pennsylvania
DENNIS M. HERTEL, Michigan
ROY DYSON, Maryland
WILLIAM O. LIPINSKI, Illinois
ROBERT A. BORSKI, Pennsylvania
THOMAS R. CARPER, Delaware
DOUGLAS H. BOSCO, California
ROBIN TALLON, South Carolina
SOLOMON P. ORTIZ, Texas
CHARLES E. BENNETT, Florida
THOMAS J. MANTON, New York
OWEN B. PICKETT, Virginia
JOSEPH E. BRENNAN, Maine
GEORGE J. HOCHBRUECKNER, New York
BOB CLEMENT, Tennessee

ROBERT W. DAVIS, Michigan
DON YOUNG, Alaska
NORMAN F. LENT, New York
NORMAN D. SHUMWAY, California
JACK FIELDS, Texas
CLAUDINE SCHNEIDER, Rhode Island
HERBERT H. BATEMAN, Virginia
JIM SAXTON, New Jersey
JOHN R. MILLER, Washington
HELEN DELICH BENTLEY, Maryland
HOWARD COBLE, North Carolina
MAC SWEENEY, Texas
CURT WELDON, Pennsylvania
PATRICIA SAIKI, Hawaii
WALLY HERGER, California
JIM BUNNING, Kentucky
ERNEST L. KONNYU, California

Edmund B. Welch, *Chief Counsel*
Barbara L. Cavas, *Chief Clerk*
George D. Pence, *Minority Staff Director*
Duncan C. Smith III, *Minority Chief Counsel*

Subcommittee on Coast Guard and Navigation

EARL HUTTO, Florida, *Chairman*

WILLIAM J. HUGHES, New Jersey
GERRY E. STUDDS, Massachusetts
WILLIAM O. LIPINSKI, Illinois
THOMAS R. CARPER, Delaware
OWEN B. PICKETT, Virginia
JOSEPH E. BRENNAN, Maine
GEORGE J. HOCHBRUECKNER, New York
DENNIS M. HERTEL, Michigan
CHARLES E. BENNETT, Florida
MIKE LOWRY, Washington
BOB CLEMENT, Tennessee
WALTER B. JONES, North Carolina
(Ex Officio)

ROBERT W. DAVIS, Michigan
DON YOUNG, Alaska
HERBERT H. BATEMAN, Virginia
HOWARD COBLE, North Carolina
MAC SWEENEY, Texas
CURT WELDON, Pennsylvania
PATRICIA SAIKI, Hawaii
JIM BUNNING, Kentucky
ERNEST L. KONNYU, California

Gene Hammel, *Staff Director*
Jeanne Timmons, *Professional Staff*
Marsha Canter, *Clerk*
Sherry Steele, *Minority Professional Staff*

CONTENTS

Page
Text of H.R. 3918 ... 32

Statement of:

Biaggi, Hon. Mario, a U.S. Representative from New York ... 2
Clement, Hon. Bob, a U.S. Representative from Tennessee ... 3
Crandall, Derrick, president, American League of Anglers and Boaters ... 18
  Prepared statement ... 68
Davis, Hon. Robert W., a U.S. Representative from Michigan ... 4
Ellingsen, Col. Don, Director, Florida Marine Patrol ... 15
Gilbert, Rear Adm. Marshall E., U.S. Coast Guard, Resource Director/Comptroller ... 10
  Prepared statement ... 53
Hutto, Hon. Earl, chairman, Subcommittee on Coast Guard and Navigation ... 1
Ivers, William, vice president, States Organization for Boating Access ... 27
Jones, Hon. Walter B., chairman, Committee on Merchant Marine and Fisheries ... 2
Reeff, Mark J., resource specialist, International Association of Fish and Wildlife Agencies ... 24
  Prepared statement ... 81
Rezendes, Victor S., Associate Director, Resources, Community, and Economic Development Division, General Accounting Office ... 5
  Prepared statement ... 38
Sciulla, Michael, vice president, Boat Owners Association of the United States ... 22
  Prepared statement ... 73
States Organization for Boating Access (prepared statement) ... 91
Stewart, George W., Jr., director, government affairs, National Association of State Boating Law Administrators ... 15
  Prepared statement ... 58
Stone, Ron, director of government affairs, National Manufacturers Association ... 25
  Prepared statement ... 83

Additional material supplied:

Excerpt from report on H.R. 2163, House Report 98-133, Part 1, on Federal Boat Safety Act amendments ... 88
GAO: Import duties on yachts and pleasure boats ... 51
National Boating Federation: Resolution ... 36

OVERSIGHT AND REAUTHORIZATION OF THE BOAT SAFETY ACCOUNT

THURSDAY, APRIL 28, 1988

House of Representatives,
Subcommittee on Coast Guard and Navigation,
Committee on Merchant Marine and Fisheries,
Washington, DC.

The Subcommittee met, pursuant to notice, at 1:47 p.m., in room 1334, Longworth House Office Building, Hon. Earl Hutto (Chairman of the Subcommittee) presiding.

Present: Representatives Hutto, Carper, Pickett, Hochbrueckner, Hertel, Clement, Davis, Coble, and Konnyu.

Staff present: Gene Hammel, Jeanne Timmons, Larry Innis, Ed Welch, Kurt Oxley, Lee Crockett, Rebecca Feemster, Sherry Steele, Sue Waldron, and Marsha Canter.

STATEMENT OF HON. EARL HUTTO, CHAIRMAN, SUBCOMMITTEE ON COAST GUARD AND NAVIGATION

Mr. Hutto. The Subcommittee on Coast Guard and Navigation will please come to order.

The subcommittee meets today to discuss reauthorization of expenditures from the Boat Safety Account of the Aquatic Resources Trust Fund, better known as Wallop-Breaux.

The benefits of the cooperative Federal and State recreational boating safety program are proven by the reduction in the national boating fatality rate over the past several years. Although the estimated number of boats in the nation has more than doubled since Congress first addressed the need for a recreational boating safety program with the enactment of the Federal Boat Safety Act of 1971, the fatality rate has dropped from 20.2 deaths per 100,000 boats in 1971 to a 1987 rate of 6.1 deaths per 100,000 boats. This is indeed a commendable achievement.

H.R. 3918 would reauthorize the Boat Safety program for 10 years through Fiscal Year 1999, and would increase the amount of funding from $45 million to $60 million. One-half of the funds would be allocated to State programs and one-half would be available for the Coast Guard. The bill is supported by the American League of Anglers and Boaters, a coalition of most of the national groups representing the recreational boaters and fishermen of the United States.

Despite the success of the program, there are concerns both in Congress and in the boating community about whether we are doing as good a job as we can in the area of boating safety. And I'm concerned that two of the most visible aspects of the Coast Guard's recreational boating safety efforts have been discontinued. In 1982, the Coast Guard abolished its 54 Boating Safety Detachments, and this year the three Regional Boating Standards Units were ordered closed.

During today's hearing, we will address questions about the amount of funding provided for the Boat Safety Account, as well as the adequacy of Coast Guard Administration of the program.

Mr. HUTTO. Our distinguished Chairman of the Full Committee, Mr. Jones, has a statement that he wishes entered into the record, and without objection his statement will be entered.

[The statement of Mr. Jones follows:]

STATEMENT OF HON. WALTER B. JONES, CHAIRMAN, HOUSE COMMITTEE ON MERCHANT MARINE AND FISHERIES

Mr. Chairman, thank you for holding today's hearing on my bill, H.R. 3918, which authorizes appropriations for the boat safety account of the aquatic resources trust fund.

The aquatic resources trust fund, or as it is commonly called, the Wallop-Breaux trust fund, was created in 1984 after many months of hard work by the Merchant Marine and Fisheries Committee and was signed into law as part of the Deficit Reduction Act of 1984. That piece of legislation continued and improved upon the good work begun by the Recreational Boating Safety and Facilities Improvement Act of 1980 and the Federal Aid in Sport Fish Restoration (commonly called Dingell-Johnson) Act of 1950 by combining the two into one trust fund. The Wallop-Breaux trust fund is a true user-funded account which derives all of its monies from the gasoline excise tax which is attributable to use in motorboats, excise taxes on fishing rods and reels, tackle, electric trolling motors, and import duties on fishing equipment and yachts.

The Wallop-Breaux trust fund is divided into two accounts: the boat safety account and the sport fish account. Under current law, the boat safety account receives the first $45 million from the motorboat gasoline tax and (subject to appropriation) $30 million is given as grants to States to run state boating safety programs and $15 million goes to the Coast Guard to offset the cost of its boating safety activities. The sport fish restoration account receives the remainder of the gasoline tax and the entire excise taxes and import duties. These monies are given to States for programs to enhance sport fishing opportunities, such as improving habitat, stocking, and providing access for recreational fishermen.

H.R. 3918 authorizes appropriations for the boat safety account for ten years at a level of $60 million per year. These monies are to be divided equally between the States and the Coast Guard. In an effort to make it easier for States to meet the 50/50 match requirements of this account, I have included language in H.R. 3918 which would allow States to use in lieu contributions for that purpose. Finally, in an effort to discourage the Appropriations Committee from funding the Coast Guard at the expense of the State programs, I have included language which makes it illegal for the Coast Guard to spend more boat safety account money than it gives to the States.

This bill has the bipartisan support of 26 members of the Merchant Marine and Fisheries Committee and all of the affected user groups. It reauthorizes a very worthwhile and cost effective program. Therefore, I urge all members of the committee who have not done so to join me as a cosponsor of H.R. 3918.

Mr. HUTTO. And I have a statement from Congressman Biaggi, that he asked to be inserted, and it will be inserted.

[The statement of Mr. Biaggi follows:]

STATEMENT OF HON. MARIO BIAGGI, A U.S. REPRESENTATIVE FROM NEW YORK

Mr. Chairman. I am pleased that we are meeting today to consider reauthorization of the Boat Safety Account (the Biaggi Fund) through fiscal year 1999. I am pleased because it continues the work I began in 1979 when I introduced H.R. 4310, the Recreational Boating Safety and Facilities Improvement Act, and saw to its enactment as Public Law 96-451 on October 14, 1980. This was landmark legislation in that, for the first time, a boating safety and facilities improvement program was authorized and funded from some of the excise taxes boaters pay on gasoline and special fuels.

This Committee's deep involvement with the recreational boating public began with the enactment of the Motorboat Act of 1910 and the Vessel Numbering Act of 1918. Although these Acts were primarily concerned with commercial operations and the need to federally number vessels for identification and record keeping, they had an impact on recreational vessels. In 1940, the Committee, because of a need to improve boating safety, established minimum safety equipment requirements for pleasure as well as commercial motorboats. Congress, for the first time, provided for criminal prosecution of those who operated a vessel in a negligent manner so as to endanger life, limb, or property.

Due to the post-war boom in boating and the large proliferation in the number of recreational vessels on our Nation's waterways, Congress enacted the Federal Boat Act of 1958. The general intent of the Act was to return boating responsibilities to the States and remove the Federal Government from direct involvement in the numbering of recreational vessels. While this Act recognized the need for a Federal-State partnership, it still did not provide a comprehensive recreational boating safety program.

This Subcommittee again took the lead in 1971, in response to the ever increasing growth of recreational boating activity, to report and move to enactment, the most sweeping boating legislation to date—the Federal Boat Safety Act. For the first time, we established a number of national recreational boating policy objectives and an extensive Federal working partnership with the States. At that time there were 8 million recreational boats, 40 million boaters, and a proliferation of boat and boating equipment manufacturers. Among other things, this new Act helped to establish a uniform set of boating laws and programs in the States based on the Federal model. For the first time, it permitted the Federal Government to provide the States with monetary grants to be used to maintain State boating safety programs. In order to receive these allocated funds, a State has to have an approved numbering system, a casualty reporting system, and an acceptable recreational boating safety program. This program has to provide for uniformity, enforcement, safety education, and an adequate administrative organization. Funding for this grant program was originally provided in an annual appropriations act.

While this grant program was working fairly well, I decided as far back as the mid-1970's that a better funding mechanism was required. We needed to improve recreational boating safety and attendant facilities. It was also important to foster greater development, use, and enjoyment of our waters by encouraging and assisting participation by the States, the boating industry, and the public. I am proud that I was instrumental in passing the Recreational Boating Safety and Facilities Improvement Act of 1980, the legislation we are considering today for amendment. One of the purposes of the Act was to return funds to the boating public from the excise taxes recreational boaters pay on gasoline and special fuels. Prior to the 1980 Act, all excise taxes were transferred to the Land and Water Conservation Fund. Now, up to $20 million during any fiscal year could be transferred to the National Recreational Boating Safety and Facilities Fund managed by the Coast Guard, entitled the "Boat Safety Account."

The money in this account belongs to the recreational boater. It gives the boater a fair return on the excise taxes he pays by helping to continue existing State boating safety programs and to build new boating facilities—all to the boater's advantage.

I fully support this legislation. I recommend that we move ahead to reauthorize the Boat Safety Account through fiscal year 1999, and increase the total amount available to $60 million with one-half to be allocated to State programs and one-half for Coast Guard boating activities. I look forward to working with you in supporting our Nation's recreational boaters and sport fishermen.

Mr. HUTTO. Do any other members have opening statements?

[The statement of Mr. Clement follows:]

STATEMENT OF HON. BOB CLEMENT, A U.S. REPRESENTATIVE FROM TENNESSEE

Mr. Chairman, thank you for convening this important hearing on reauthorization of the boat safety account of the Wallop-Breaux trust fund.

Recreational boating is an increasingly popular activity. And, with such an increase, we see an ever-increasing range of experience, skill, and good sense among boaters on the open water.

Consequently, we all believe that the need for improved safety training is great. We all believe that the need for safe boating facilities is great. And we all believe that the need for improved emergency assistance and law enforcement is great.

But, we do not know entirely how great. To date, we are unable to fully quantify the extent to which safety training, boating facilities, emergency assistance, and law enforcement should be increased. The last nation-wide boating survey was completed by the Coast Guard in 1976. In lieu of a nation-wide survey, these hearings will provide the information by which we as members will have to work to improve the boat safety account.

The hearings will also focus on whether current expenditures from the boat safety account are going to meet identified needs, and whether the boater is getting what he clearly expects when he pays the fuel excise tax and the fees on boat and equipment purchases.

I look forward to hearing the answer to these important questions. And, Mr. Chairman, I look forward to working with you and the other members of the subcommittee to make the necessary improvements to the current program.

Mr. HUTTO. In addition, we have received a resolution from the National Boating Federation, supporting the reauthorization of Wallop-Breaux, to be entered into the record.

[The Resolution from the National Boating Federation may be found at end of hearing.]

Mr. COBLE. Mr. Chairman, without objection, Mr. Davis would like his statement entered in the record.

Mr. HUTTO. Without objection, that will be done.

[The statement of Mr. Davis follows:]

STATEMENT OF HON. ROBERT W. DAVIS, A U.S. REPRESENTATIVE FROM MICHIGAN

Thank you, Mr. Chairman. I am pleased that we are here today to consider the reauthorization of one of the most successful user fee programs in government. This Committee accepts the blame for killing user fees when they are just taxes in disguise, but the Wallop-Breaux program is not that. This funding for sport fish restoration and boating safety comes from the sport fishermen and boaters. They have willingly paid these user fees, and have been instrumental in keeping the program healthy and popular.

I use every opportunity I get to remind my colleagues that my home state of Michigan has more registered boaters than any other state. Clearly, the Wallop-Breaux Fund has helped to make boating safer, it has helped to regenerate Great Lakes sport fishing, and it has provided resources to the Coast Guard on behalf of our nation's recreational boaters.

All of this is accomplished without one penny of general tax dollars. This, I believe, is the shining example this Committee has set for a good user fee, and one which I am glad we continue to support.

Today, we will discuss the boating safety portion of this program and based on what we hear, we will fine-tune our funding formula, a process through which we should navigate easily with the help of many of the people sitting here.

I look forward to hearing today's testimony. Thank you.

Mr. COBLE. And Mr. Chairman, I have a Judiciary Committee meeting, and like you, I'm very interested in boating safety, and I'm going to stay as long as I can, until I'm notified to be there.

Mr. HUTTO. I understand that, yes, sir.

Mr. COBLE. Thank you.

Mr. HUTTO. Thank you.

Our first panel today is from the General Accounting Office, Victor Rezendes, Associate Director of the Resources, Community, and Economic Development Division. He is accompanied by Jason Fong and Dave Gleason.

It's good to have you, Mr. Rezendes, and we're looking forward to your testimony. Your prepared statement will be inserted immediately following your oral presentation.

STATEMENT OF VICTOR S. REZENDES, ASSOCIATE DIRECTOR, RESOURCES, COMMUNITY, AND ECONOMIC DEVELOPMENT DIVISION, GENERAL ACCOUNTING OFFICE

Mr. Rezendes. Thank you, Mr. Chairman. I'd like to submit my full statement for the record and just summarize it for you if I may.

Mr. Hutto. Without objection, your full statement will be entered into the record.

Mr. Rezendes. We appreciate the opportunity to testify about our work about the Wallop-Breaux Trust Fund. Our testimony today will concentrate on four points: (1) States mainly spend their Federal grant monies on upgrading law enforcement equipment, (2) the Coast Guard uses its share to offset its boating safety operating expenses, (3) the Coast Guard oversight of State grants, although adequate, is essentially ministerial, and (4) providing additional funds to the Boat Safety Account may not increase boating safety.

About two-thirds of the $45 million for the Boat Safety Account is allocated to States. Except for Guam and Vermont which chose not to participate, all States receive most of the Federal funding to which they're entitled. We did find, however, that six States did not request about one million dollars of Federal funds available to them.

As for how these funds are spent, we found that States spend about 45 percent of their Federal funds on equipment and supplies for law enforcement and boating safety education. They spent about 17 percent on safety inspections and marine casualty investigations, 14 percent on boating access, 10 percent on education, and the remaining 14 percent on other purposes.

The Coast Guard annually receives up to two percent of the amount available for State grants, to administer those grants. And one-third of the revenues of the Boat Safety Account—roughly $15 million. In both cases, the Coast Guard has used such funds to offset its ongoing expenses. The Coast Guard is not required to use these funds to expand existing activities or initiate new activities, and it has not done so.

According to the Coast Guard, the $15 million it receives annually from the Boat Safety Account represents only a fraction of the more than $200 million a year it spends on activities related to recreational boating safety.

Although the Coast Guard's oversight of State boating safety activities provided adequate controls over program funding, it has essentially been limited to ministerial matters.

The two Coast Guard people who oversee State activities told us that their time is fully occupied with reviewing and approving State applications and financial reports. And they do not attempt to determine how effectively States spend grant monies.

Now, Mr. Chairman, I'd like to discuss the adequacy of Federal funding. The $45 million cap on the Boat Safety Account dates back from the Highway Revenue Act of 1982. However, the cap has not been adjusted to reflect substantial growth in motorboat fuel tax revenues. When the Trust Fund was established, these revenues were expected to be about $65 million, based on a Department of Treasury estimate. At these levels, it was expected that the Boat

Safety Account would receive about two-thirds of the total motorboat fuel revenues, with the surplus going to the Sports Fish Restoration Account.

However, in 1987, Treasury changed its methodology for estimating motorboat fuel consumption. Accordingly, total revenues increased to $98 million in Fiscal Year 1987, and are projected to grow to about $128 million in 1993. If the $45 million cap remains intact, the Boat Safety Account's share will decline from two-thirds to a little more than one-third of the total.

Raising the cap and allocating more funds to the Coast Guard as proposed in H.R. 3918 would not necessarily result in increased Coast Guard funding for boating safety, because such funds may continue to be used to merely offset expenditures for ongoing safety programs. Similarly, it is uncertain how much safer recreational boating would be if State grants were increased. In 1985, the Coast Guard tried to assess the relationship between the number of State boating fatalities and the size of State boating programs and amounts budgeted for law enforcement and education. The study concluded that available data were not sufficient to determine whether a relationship exists.

We reached a similar conclusion last year. We found that, once boating population and program size were taken into account, available data showed virtually no direct relationship between the number of boating deaths and either the share of Federal funding or the percentage spent on enforcement, education and administration. Evaluating State program effectiveness is restricted by the lack of data on how States spend program funds, benefits those funds produce, and a lack of comparability among State fatality rates. However, we recognize that obtaining and analyzing better data may be difficult and will likely require additional resources.

In summary, the States are generally receiving all of the Boat Safety Account revenues available to them and spending them primarily in law enforcement. The Coast Guard uses its trust funds to offset its already high operating expenses for boating safety and administering the grant program. Oversight of these grants, while adequate, essentially consists of paperwork management.

Finally, the motorboat fuel tax revenues have grown significantly higher than the $45 million cap on the Boat Safety Account. But providing additional funds may not necessarily result in increased safety.

Mr. Chairman, this concludes my statement. I'd be pleased to accept any questions.

[The prepared statement of Mr. Rezendes maybe found at end of hearing.]

Mr. Hutto. Thank you, Mr. Rezendes.

You might have given this figure, but what did Congress originally estimate would be the revenues from the motorboat fuel taxes, and how do these estimates compare with the actual receipts?

Mr. Rezendes. Initially when the account was set up, Treasury projected about $65 million would be derived from motorboat fuels. And at that level the Boat Safety Account represented about two-thirds of the revenues, and one-third would go to Fish Restoration Account.

Treasury is projecting that by 1993 the revenues will increase to $128 million. And in essence, this would reverse the initial relationship. Boat Safety would receive only one-third of those revenues, and two-thirds would be going to the Sport Fish Restoration.

Mr. HUTTO. One hundred and twenty-eight million in 1993?

Mr. REZENDES. That's correct. Yes, sir.

Mr. HUTTO. Do you have the figure of what it would be for 1989?

Mr. REZENDES. Yes, we do.

For 1989 they're projecting $112 million.

Mr. HUTTO. One twelve?

Mr. REZENDES. Yes, sir.

Mr. HUTTO. Okay.

And I presume that in future years it would continue to increase?

Mr. REZENDES. Well, Treasury usually makes its projections five years out. We only have an estimate through 1993. But basically the Treasury estimates are tied to changes in the GNP, the growth in the GNP actually.

Mr. HUTTO. Is there a need for a survey of motorboat fuel consumption?

Mr. REZENDES. Some of the data that's used to make these estimates of fuel consumption are as old as 1976. I think it's probably logical to assume that a new survey would be beneficial, but we don't have any indication as to whether that would actually change any of the distributions that are made from the account.

Right now, we don't—there are no clear estimates as to how much that would cost, but from some rough estimates that we've received it would basically cost anywhere from one to three million dollars to do such a survey.

Mr. HUTTO. Well, what has been the growth of import duty revenue from pleasure boats and yachts, and how has Treasury estimated and accounted for these revenues?

Mr. REZENDES. That's become more complex. Mr. Fong can address that.

Mr. HUTTO. Mr. Fong?

Mr. FONG. Mr. Chairman, we found that it appears that the Treasury Department has not transferred all revenues eligible to be transferred to the Wallop-Breaux Trust Fund for import duties from pleasure boats and yachts. According to law, all import duties levied on pleasure boats and yachts should be transferred to the Wallop-Breaux Trust Fund. There are 25 of these categories of pleasure boats and yachts. We found that the Treasury Department has not accounted for nine of the twenty-five categories, and during 1985 to 1987.

We estimate the loss of revenue to the Wallop-Breaux Trust Fund from these nine categories to be about $14 million.

Mr. HUTTO. Fourteen?

Mr. FONG. Fourteen million dollars for all three years, fiscal years 1985 through 1987.[1]

---

[1] We presented this information to Treasury Department program officials and, in response, an attorney in Treasury's Office of General Counsel prepared a memorandum regarding the question of including the tariffs from nine categories in the Sport Fish Restoration Account. We will submit for the record a summary of Treasury's memorandum. (See information submitted at end of hearing.)

Mr. **Hutto**. Interesting.

Well, what States spend Federal funds on boating access facilities? Do you have information on that?

Mr. **Rezendes**. Yes. Overall there was a survey done in 1987, and overall about 14 percent of the revenues went to boating access. Eight States were using those funds for boating access.

Mr. **Hutto**. You say that Coast Guard administration of the state grant program is "ministerial." I'm reading that to mean it is mostly a case of processing applications, and other documents; in other words, "pushing papers." Is there any on-site evaluation at the state level? How can the Coast Guard improve its administration of this program?

Mr. **Rezendes**. I think that's exactly the key. Basically it is a paper work exercise. They do receive applications. Those applications include narratives and descriptions of how the money is to be spent, and they do require periodic financial reports, as well as all grant funds are subject to CPA reviews every couple of years. But there is no Coast Guard evaluation as to how those monies are actually being spent.

For example, it's one thing to know how much States spend on boating education. But it's a different thing to know how those boating education funds are spent in the State. And we think if we knew, if the Coast Guard was able to do some studies to determine which of the aspects of the State grant monies have salutary effects in terms of reducing boating fatalities and accidents, the Coast Guard could better target some of its resources.

Mr. **Hutto**. Mr. Pickett, any questions for the witness?

Mr. **Pickett**. I have just one question.

I notice on page 3 of your testimony, you make reference to the fact that six States did not request a total of some $1 million for Fiscal Year 1987 funds.

Mr. **Rezendes**. Yes, sir.

Mr. **Pickett**. There's no provision in this statute to allow those monies to be reallocated back to the States who do make application?

Mr. **Rezendes**. Not that I'm aware.

Mr. **Fong**. Those funds revert back to the Coast Guard for reallocation to the States.

Mr. **Pickett**. Reallocation to the States under this program?

Mr. **Fong**. Yes.

Mr. **Pickett**. So some States would get more by reason of the fact that these six States didn't apply?

Mr. **Gleason**. It's basically held by the Coast Guard.

Mr. **Pickett**. Pardon?

Mr. **Gleason**. Currently, if States don't apply for their full allocation it's held in their specific State account for three years, as I understand it, before it reverts back to the Coast Guard to be reallocated in the future.

Mr. **Pickett**. After three years?

Mr. **Gleason**. As I understand it.

Mr. **Pickett**. Thank you.

That's all I have, Mr. Chairman.

Mr. **Hutto**. All right.

Mr. Clement?

Mr. CLEMENT. Thank you, Mr. Chairman.

A major concern of the subcommittee is the Coast Guard's administration of the State Financial Assistance Program. With only two people directly involved in oversight of the State program, I understand it is impossible for the Coast Guard to adequately monitor, evaluate and coordinate State expenditures of Federal funds. What minimum staffing would be required, in your view, to adequately oversee the State program?

Mr. REZENDES. We didn't address that specifically in our review, as to how many numbers that they need. We do realize that, for example, in doing the kind of program evaluations that we're talking about, one always has to make trade-offs.

With only a limited number of resources, you need to effectively target resources. For example, we talked about data problems, that the Coast Guard needs to have better data to assess how effective State programs are actually implemented. Although that's going to take more resources, we think an alternative would be, rather than to do an evaluation Nation-wide, is to drop some of the reporting that they're already receiving. For example, the Coast Guard receives data on both fatalities and non-fatality accidents, and the non-fatalities probably represent only about 10 percent of those that are actually out there. We think you could drop that part of the reporting system, concentrate on the fatalities, and then just focus in on one or two States that are representative Nation-wide of boat safety, and do an analysis there and see whether there's any kind of, again, salutary effects that are happening at the State level, that could be transferred to other State programs.

Mr. CLEMENT. Has the GAO uncovered any improper or questionable expenditures by the States of Federal Boating Safety funds, and if so, can you extrapolate and provide any estimate on how great a problem these questionable expenditures may be?

Mr. REZENDES. No, sir. We went to six States. We looked at six States in detail; California, Maryland, Minnesota, Nebraska, New York, and Virginia. We looked at how those States were spending the money, and our investigation did not reveal anything inappropriate at those six States.

Mr. CLEMENT. As with all agencies of Government, the Fish and Wildlife Service is under increasing pressure to do more with less. Has the GAO reviewed the implementation of the Coast Guard Fish and Wildlife Service Memorandum of Understanding, regarding the Services on-site inspection of public boating access sites, and has the Service been meeting its obligations under the MOU?

Mr. REZENDES. No, we're just aware of the agreement and that it's about to be implemented. We haven't evaluated how effectively it's actually being implemented at the regional level.

Mr. CLEMENT. Thank you, Mr. Chairman.

Mr. HUTTO. Thank you, Mr. Clement.

Before we break—we're going to have to go vote momentarily—but, Mr. Rezendes, I want to clarify one point made in your statement.

Mr. REZENDES. Sure.

Mr. HUTTO. You say that an increase in funding will not necessarily result in an increase in boating safety. I trust you're not saying that there should be no increase in funding for this program. Would you explain what you meant?

Mr. REZENDES. Sure.

Basically, in our testimony the point we were trying to make, is there isn't available data today to demonstrate how we're spending Federal funds, or even for that matter State funds, and whether that spending has a direct impact on boating fatalities or accidents. Since 1971 when the Federal Boat Safety Act was passed, we've seen a steady decline in the fatality rates per 100,000 boats, from a little over 20 deaths per 100,000 to today, as you mentioned, roughly over six. That's a result of numerous activities; increased public awareness, the Coast Guard certification of boats, in terms of making boats safer, increased State enforcement. But the data isn't out there to determine what aspects or how we're spending our money and exactly the direct relationship those funds have on fatalities.

But no, we concur that we think the program is having some kind of an impact. We can't tell you specifically what elements of the program, or how the States are spending their money or how those are reducing the fatality rates.

Mr. HUTTO. We may have some—we will have, I'm sure, some questions to ask you that you may submit the responses for the record.

Mr. REZENDES. Sure, that's fine.

Mr. HUTTO. And we thank you very much, Mr. Rezendes, and Mr. Fong and Mr. Gleason, for being with us.

Mr. REZENDES. Thank you.

Mr. HUTTO. We're going to take a 10 to 15 minute recess, and we'll be back. In the meantime, if the second panel, headed by Rear Admiral Marshall Gilbert, Resource Director/Comptroller of the Coast Guard, will come forward. He's accompanied by Captain Robert Hammond, former Chief of the Boating Safety Division, and Mr. Albert Marmo, Chief of the Policy Planning and Evaluation Staff.

The Subcommittee will stand in recess for 10 or 15 minutes.

[Recess.]

Mr. HUTTO. The Subcommittee on Coast Guard and Navigation will resume its sitting.

Admiral Gilbert, it's good to have you with us, and you may proceed. Your prepared statement will be inserted immediately following your oral presentation.

STATEMENT OF REAR ADM. MARSHALL E. GILBERT, U.S. COAST GUARD, RESOURCE DIRECTOR/COMPTROLLER

Admiral GILBERT. Thank you, Mr. Chairman.

Good afternoon. I'm pleased to be here today, and I'd like to note that I have Captain Bob Hammond, and Mr. Al Marmo with me. If it's alright with you, I'd like to briefly summarize my opening statement and submit the full statement for the record.

Mr. HUTTO. Yes, without objection.

Admiral GILBERT. Mr. Chairman, the Coast Guard enthusiastically supports the reauthorization of the Boat Safety Account. We think this is a key catalyst that has pulled together a lot of cooperative efforts, Federal, State, industry, volunteer organization, working toward a common purpose of promoting boating safety. And we believe, as I've said, it is a key catalyst in that effort.

I would also note that the Federal Government gets a good return on its investment here, because the States spend about $4.00 for each dollar that they get from the States.

You noted in your opening statement that continued progress is being made in the most measurable statistic, and that is the number of deaths per 100,000 boats. It continues to creep downward. This is despite the fact that there are more boats on the water. You mentioned they've doubled since 1971. They're faster boats, and they're more dangerous boats. And this highlights the need for continued efforts on our part to promote boating safety.

We, in the Coast Guard, spend over $200 million a year on boating safety services to recreational boaters. The Administration, again, is proposing that two-thirds of the funds available go to the Coast Guard, and that one-third be made available to States. As I said, we believe there's a good return on the investment by the Federal Government. We believe the States use the money wisely.

We also believe there's a good return on the non-profit grant program, the grants to nonprofit organizations. We think this is a good program.

We think the State grants are effectively administered. I would disagree with the GAO conclusion that the oversight is primarily through paper work. I don't believe that's true at all. I notice Mr. Bill Ivers from California and the State Boating Law Administrator, Don Ellingsen from Florida. We meet with these people often. We're on the phone with them constantly. We believe that there is a very significant oversight and that we're fairly conversant with what's going on in the States.

So in summary, we think this is a very good program, effectively administered, and we enthusiastically support its continuation.

I'd be happy to answer any questions you have.

[The prepared statement of Admiral Gilbert may be found at end of hearing:]

Mr. HUTTO. Yes, sir. Thank you for your testimony.

Admiral, the Subcommittee requested a breakdown of the more than $30 million per year in expenses that the Coast Guard says are directly attributable to recreational boating safety. The information provided indicates that a very small percentage of the cost of all your bases, vessels and aircraft are charged as direct costs of recreational boating safety. The breakdown also lists 100 percent of the cost of the Auxiliary and 100 percent of the cost for boating standards, even though last January the three Regional Boating Standards Units were ordered closed, with their manufacturer inspection responsibilities transferred to Marine Safety Offices.

As mentioned in my opening statement, I am concerned about the closing of the RBSU's. Since the Marine Safety Offices have also suffered reductions, how can we be assured that enforcement of recreational boating standards will be maintained at a level that is adequate to ensure the safety of the boating public?

Admiral GILBERT. Yes, sir. Thank you for the question.

I mentioned earlier that our total expenditures on boating safety services, we estimate are over $200 million per year. Now that includes a significant percentage of the money that we spend on search and rescue, and also a significant percentage of the money that we spend in the aids to navigation program.

The $30 million or so that you mentioned, that specifically called out as expenditures against the recreational boating safety accounts, includes, as you mentioned, a small percentage of our cost of various operating units, and this comes from our abstract of operations, where they categorize what mission they were performing while they were at sea. And of course, if they're performing a search and rescue mission, they're still there as a boating safety platform availability as well.

You're also quite aware, Mr. Chairman, that all of our programs, and many priority programs are under severe budget pressure, and we have had to cut back on all of our programs. This makes it especially important, I believe for reauthorizing the Boat Safety Account, and as I mentioned in my opening statement, it provides a catalyst to draw together the Federal, State, industry, and volunteer organizations toward boating safety.

Specifically, in the closure of the Recreational Boating Standards Units, some of those positions went to the Marine Safety Offices and the Marine Inspection Offices. We have 38 of these marine safety offices, six marine inspection offices, scattered throughout the country, widely dispersed. They contain over 300 inspectors. We've already provided some training for these inspectors, and we still have the goal of one visit per year to each of the manufacturers. We've also, in our headquarters organization, combined the oversight for boating safety, the Auxiliary, search and rescue, navigation, bridges, and consumer affairs under one office, which we think will give it a closer coordination.

So we're confident that even though there have been some cutbacks, that we can continue to make progress in our goal of safer waters.

Mr. HUTTO. The RBSU's certainly are something the Subcommittee is interested in, and we probably will be getting back with you on that.

Admiral GILBERT. Sure.

Mr. HUTTO. Admiral, as you know new federal standards on drunk boating went into effect in January. On February 26th the Coast Guard issued an "All-Coast" order saying that, because of your budget problems, you would not be able to obtain the equipment and training necessary to properly enforce these new standards. How much will this new equipment and training cost?

Admiral GILBERT. Yes, sir. Thank you, Mr. Chairman.

As you point out, that program did go into effect a few months ago. And of course, we have continued to enforce negligent operation as negligent operation, even if it's caused by abuse of alcohol or drugs.

Specifically, on the cost I would estimate that about $1.2 million would be required to provide intoximeters for our crews and training in how to use those devices, and training in behavioral observation techniques. And as you know, the regulations provide for criminal, as well as civil penalties, and we have to be very accurate in the administration of this program, and make sure that it's legally sufficient.

Since the release of that order, we have instituted planning and will shortly have in operation two pilot programs; one in our eighth district headquartered in New Orleans, and one in our fifth district headquartered in Portsmouth, where we will equip groups and stations with the breath testing devices. We will provide training for the crews in their use, and this will give us an early implementation of the program on a pilot basis in two of our ten districts, and provide some further advice and information to us.

I could also point out that even though these regulations have been in effect only a short time, we have already had a number of voyages terminated by our people because of intoxicated operation. So the deterrent is there in fact as well as in the records.

Mr. HUTTO. How soon will the tests be completed in the Fifth and Eighth Districts?

Admiral GILBERT. We're working on that at the moment, Mr. Chairman. And I expect that they will be ready to start the program by early July. And we will continue that program until we have identified funding to implement it Coast Guard-wide.

Mr. HUTTO. Why can't the money provided to the Coast Guard from the Boat Safety Account be used for programs such as this and staffing the RBSU's instead of just offsetting general operating expenses?

Admiral GILBERT. Yes, sir, Mr. Chairman.

As you know, that money that's provided through the Boat Safety Account doesn't increase our bottom line, and all the money we have has to compete among the various programs that we have for funding. And we cannot earmark this specifically for a single purpose.

Mr. HUTTO. Mr. Carper, do you want to quiz our witness before we have to go vote again?

Mr. CARPER. Yes, sir, I'd like to.

Mr. HUTTO. All right.

You're recognized.

Mr. CARPER. Let's just take a second and listen to see what this vote is.

It's their motion to adjourn.

Mr. HUTTO. Yes. It's a privileged motion.

Mr. CARPER. We need to get over there and vote for that one. Just one question.

Admiral, in your testimony, on the second page you recommend a change to reverse the State and Coast Guard shares of the annual appropriation from the Aquatic Resources Trust Fund. And I want you to just take a minute, if you will, and explain to me what you're suggesting and why it's a good idea.

Admiral GILBERT. Yes, sir.

Mr. CARPER. And if you will, I presume there are going to be some people who don't think it's a good idea, and how would you rebut their objections?

Admiral GILBERT. Yes, sir. Thank you.

I will be happy to do that. I don't know if I will be persuasive to those that don't think this is a good idea or not.

As you know, the limit is $45 million in the authorization. And the original suggestion was that two-thirds of that go to States, and one-third to the Coast Guard. I also testified earlier that the Coast

Guard spends over $200 million a year on boating safety. And the Administration's position has been that we should be given two-thirds of the money, or $30 million a year to help offset the $200 and something million a year that we spend directly out of the Coast Guard's budget to provide boating safety services to recreational boaters. That, of course, comes at the expense of the States and Congress has not gone along with that on most occasions. And on a number of occasions have compromised so that half the money went to States and half went to the Coast Guard.

It's a matter of who needs the money the most, and the Administration has decided to ask the Congress for two-thirds of it for the Coast Guard.

Mr. CARPER. How would you respond to the objections presumably from the States?

Admiral GILBERT. Well, I would try to persuade them that we need money to help offset the $230 million or so a year that we spend supporting boating safety. And that every taxpayer gets a decent return on that money. We think the Coast Guard provides a very strong return on an investment from the taxpayers, and that's what I would say. I don't know if that would be persuasive or not, but that's my point.

Mr. CARPER. The Coast Guard spends, I think you said, $200 million?

Admiral GILBERT. Yes, sir. About $230 or so, over $200 million.

Mr. CARPER. Any idea what the States might spend collectively?

Admiral GILBERT. On the part that we are aware of, there is a requirement, of course, in the authorization that they must match the Federal funds. But in the programs that we administer, they actually spend about $4.00 of their own money for each dollar they get from the Federal Treasury. So in the aggregate they are spending something in the $70 to $80 million a year, I believe.

Mr. CARPER. One last question.

And again, playing the role of the devil's advocate, if the Coast Guard is asking, as I think it is, for the States to assume a greater role in the area of boating safety, wouldn't a logical person argue that they too may need some extra resources to help shoulder that burden?

Admiral GILBERT. Yes, sir. I think that might be an argument that would be used. They, of course, do have other revenue sources aside from the Federal funds. And they're not totally dependent on Federal funding for their State activities. And this is an important program to the States, and I would assume that they would be seeking funding from their own administrations.

Mr. CARPER. Okay. Good.

Well, I appreciate your responses, and I look forward to some of the other panels, one of which I think will include George Stewart from my own State of Delaware. So thank you.

Admiral GILBERT. Yes, sir. He is a very effective person in boating safety, and we work with him closely, and he's just done a marvelous job.

Mr. CARPER. Good. I agree. Thank you for saying that.

Mr. HUTTO. Thank you Mr. Carper.

And thank you Admiral Gilbert. We appreciate you, and Captain Hammond, and Mr. Marmo being with us. Because of our time constraints, we're going to dismiss you, and we are going to present questions to you and ask that you respond for the record.

Admiral GILBERT. Thank you. It's been our pleasure being here.

Mr. HUTTO. Next we will hear from representatives of the National Association of State Boating Law Administrators, Mr. George Stewart, Director of Government Affairs, and Colonel Don Ellingsen, Director of the Florida Marine Patrol.

If you gentlemen will come forward, we'll be back to hear you in just a short while.

The Subcommittee stands in recess for a few minutes.

[Recess.]

Mr. HUTTO. The Subcommittee on Coast Guard and Navigation will resume its sitting.

We're delighted to have you, Mr. Stewart and Colonel Ellingsen, with us today. And Mr. Stewart, we're prepared to hear your testimony. Your prepared statement will be inserted immediately following your oral presentation.

STATEMENT OF GEORGE W. STEWART, JR., DIRECTOR, GOVERNMENT AFFAIRS, NATIONAL ASSOCIATION OF STATE BOATING LAW ADMINISTRATORS

Mr. STEWART. Mr. Chairman, with your permission I'd like to have my written statement made a part of the hearing record, and let Colonel Ellingsen from Florida give the brief remarks on behalf of the National Association of State Boating Law Administrators.

Mr. HUTTO. All right, sir.

We appreciate your doing that. And without objection, it will be so ordered. Your full statement will be entered into the record.

Mr. STEWART. Thank you.

[The prepared statement of Mr. Stewart may be found at end of hearing.]

Mr. HUTTO. Colonel Ellingsen, with gratitude for the Marine Patrol mug from Florida, I thank you. And you may give your statement.

STATEMENT OF COL. DON ELLINGSEN, DIRECTOR, FLORIDA MARINE PATROL

Colonel ELLINGSEN. Thank you, Mr. Chairman.

My name is Don Ellingsen, and I'm the Director of the Florida Marine Patrol. However, I'm here today speaking on behalf of the National Association of State Boating Law Administrators.

First, let me say that the States and the U.S. Coast Guard enjoy an excellent working relationship. We feel that we compliment each other in our boating safety efforts. Our principal difference each year is the funding for our State programs which is derived from the tax boaters pay on their marine fuel. Again this year, the Administration proposes to flip-flop the funds and give the Coast Guard $30 million and the States $15 million.

This is especially disheartening since the States, the boating industry, and the boating organizations championed the program in the first place to provide part of the funding to the Coast Guard. The States are taking the lead role in boating safety efforts in hopes that the Coast Guard can focus their attention on higher priority missions. We feel this is especially noteworthy since the areas of concern are generally joint jurisdictional waters.

The States are recognized for their major contribution to the overall reduction in the boat fatality rate by more than 60 percent of what it was prior to the Federal Boat Safety Act of 1971. The only exception to this, of course, being Florida.

And, Mr. Chairman, since January 1st of this year, we're already at 33 fatalities, and we're not even into the heavy boating season yet. And 10 of those fatalities are in your Congressional district, which is more than we had in all of 1987 there.

The States have picked up the slack after the Coast Guard eliminated their boating safety detachment teams. Many States and the District of Columbia have no active duty Coast Guard units to benefit State boaters. As you are aware, Florida has a 200-mile stretch of coastline with no Coast Guard protection. There are about 25 fewer active duty Coast Guard stations benefitting State boaters today than in 1982. Some States, including Florida, have relieved the Coast Guard of issuing regatta permits. The States welcome the opportunity to take the lead role in boating safety efforts, and are proud of our accomplishments today.

Adequate funding for our State boating safety programs is vital to their success or failure. We are pleased that the Federal Boat Safety Fund is a true user funded program which requires no monies from the general fund. We feel this should be welcomed at a time when the fiscal resources of the Federal Government are under great strain. The Federal Boat Safety Funds have given many States credibility and effectiveness in the budgetary process within their own State legislatures. In fact, several of the States' boating safety programs would cease without the 50 percent Federal funding.

Noteworthy is the fact that the overall State share of the total expenditures is 80.7 percent, and the Federal share is 19.3 percent for the period 1983 through 1988. We feel the States effectively use the trust fund monies and have met the high expectations of Congress. We obviously would like to see this continue.

The National Association of State Boating Law Administrators urgently asks the support of this subcommittee in obtaining a $30 million appropriation for our State boating safety program for Fiscal Year 1989. We further support the provision in House Bill 3918, which provides $30 million each to the State programs and to the United States Coast Guard to defray the cost for services to the recreational boater.

I would also like to comment briefly on the general GAO report. And I wish that they had come to a NASBLA law enforcement committee meeting. I can tell you that they would have learned firsthand that these monies do reduce fatalities. An example, in our State, our operational budget is about just under five percent Federal monies. That amounts to about 16 or 17 marine police officers. If we took those officers off the water in our State, fatalities will go up. If we added 16 or 17 more officers, fatalities will go down. Now we simply do not have the law enforcement presence on our waters, and I feel the same way throughout the Country, to adequately police and provide safety on our waters.

Mr. HUTTO. Thank you, Colonel Ellingsen. We appreciate your testimony.

You indicated that we've already had 10 boating fatalities in my Congressional district. This is a major concern of all of us. Although the fatality rate nationwide, as we indicated, declined slightly last year, there was a dramatic increase in deaths in the State of Florida. Have you been able to identify the reasons for this, and are there any particular trends or developments in the recreational boating area that worry you, and that should be addressed in future boating safety program planning?

Colonel ELLINGSEN. Yes, sir.

Three things, coupled with congestion. That's speed, alcohol and inattention when operating a boat. And particularly one or all three of these in a congested area result in accidents. We've got boats that are going much faster, many, many more boats. And the mix just isn't working out.

Last year's fatalities, and again the ones we've had since January of this year, are all types; people falling out of small boats, to the collision-type accidents. One example of an alcohol accident occurred on the 15th of April, just a couple of weeks ago. One of the individuals in Miami Beach, who had been stopped for DUI in his boat by the U.S. Coast Guard Miami Beach Station, six days later he picked up three British sailors off a British ship—they were on shore leave. He went for a boat ride with them at night and ran into the jetties at Government Cut. He killed himself and two of the sailors, with just alcohol, speed, and again inattention is what's causing it.

Mr. HUTTO. Does the Florida Marine Patrol have in place a program to deal with alcoholism or the problem of alcohol in recreational boating?

Colonel ELLINGSEN. Yes, sir, we do.

Mr. HUTTO. Do you use the breathalizer like the Florida Highway Patrol?

Colonel ELLINGSEN. Yes, sir.

We do not have breathalizers in our agency, but we use the ones at the sheriff's offices and highway patrol stations. We have been buying the Alco-Sensor Three units for our officers to use in the field, and will continue to buy more of those. I would like to set up some breath test centers on the water utilizing both Coast Guard stations and Marine Patrol stations, where we could share each others resources.

Mr. HUTTO. Is that a possibility in the near future, do you think?

Colonel ELLINGSEN. Well, I would earmark part of our funding to do it, if we could get a commitment from the Coast Guard to do likewise.

Mr. HUTTO. Does the State of Florida have as severe penalties for DUI on the water as on the land?

Colonel ELLINGSEN. The penalties are exactly the same, with one exception that we're trying to correct in our legislature right now. In analogy, if you're arrested in your car for DUI, and you refuse to submit to chemical testing, you automatically lose your driving privilege. If you're arrested for DUI in a boat and you refuse to submit, there's no penalty. And we're fixing to change that. We've got a bill that's passed all committees in both Houses and it's set for the Floor, that will assess a $500 civil penalty against individuals who are arrested and who refuse to submit to testing. If they don't pay the civil penalty, they will lose their privilege to operate a vessel. And we think that will put some teeth in the enforcement of the law.

Mr. HUTTO. Mr. Stewart, if I may, I'd like to ask you a question.

I know that NASBLA has been active in developing recommendations for the States in areas such as education. Are many States moving toward these programs?

Mr. STEWART. Most all States—we have set guidelines for what we considered minimum education guidelines for the States. And I think just about all—there might be three States that they're not utilizing that now. This was done in cooperation with the Coast Guard. And the Coast Guard Auxiliary PAR squadrons, other organizations send their courses to us to be certified. Insurance companies are giving us 10 percent off.

Just last year we did pass guidelines for mandatory boating education. And this is just coming down the road. We have gotten good reception from this and we would anticipate that they would use it. But it is a guideline, but it's still a State prerogative if they use it or not.

Mr. HUTTO. Well, that does sound encouraging. We appreciate very much the job that the State boating law enforcement agencies perform. It's very, very important, and we look forward to continuing to work with you on the problem of safety on our waterways. Thank you very much for being with us today.

Mr. STEWART. Thank you.

Mr. HUTTO. We appreciate it very much, Colonel Ellingsen, Mr. Stewart, and we may provide some questions to you and ask that you respond for the record.

Colonel ELLINGSEN. We'd be glad to.

Mr. STEWART. Be happy.

Mr. HUTTO. Mr. Pickett, I'm sorry.

Mr. PICKETT. I don't have any questions.

Mr. HUTTO. No questions, okay.

Thank you very much.

Mr. HUTTO. Mr. Crandall, will you please come forward?

Our next witness is Derrick Crandall, who is President of the American League of Anglers and Boaters. We're delighted to have you, Mr. Crandall. Your prepared statement will be inserted immediately following your oral presentation.

We are ready to hear your testimony.

STATEMENT OF DERRICK CRANDALL, PRESIDENT, AMERICAN LEAGUE OF ANGLERS AND BOATERS

Mr. CRANDALL. Thank you, Mr. Chairman.

We appreciate the opportunity to appear here to share our views on one of the most important pieces of recreation and resource conservation legislation in several decades, the 1984 creation of the Aquatic Resources Trust Fund. Passage of the legislation creating the Fund was the result of strong, and bipartisan support in the Congress and a strong alliance among the Nation's most important recreational fishing and boating advocacy organizations. It's my privilege to appear before you as the President of this unusual and strong coalition, the American League of Anglers and Boaters.

ALAB members share a commitment to the philosophical underpinnings of the Aquatic Resources Trust Fund: the Nation's tens of millions of anglers and boaters are willing to pay for programs which contribute to the safety and enjoyability of their pursuits through special taxes and fees, providing those fees and taxes are used wisely for resource management, safety education and enforcement and improved access to public waters.

Our position is based upon a careful analysis of boater and angler needs, documented in a volume submitted by ALAB for the use of this body. We'd like to offer a copy of this study for the subcommittee's consideration. The united position of ALAB members is embodied in legislation introduced by Chairman Walter Jones, with the assistance and strong support of Representative Bob Davis, H.R. 3918.

The members of the American League of Anglers and Boaters ask your help in the swift enactment of legislation which amends the original authorization limitation on the boating safety account of the trust fund to an authorization level of $60 million per annum. ALAB supports the provision in H.R. 3918 regarding the distribution of available funds among the States and the U.S. Coast Guard. That provision allows the Coast Guard to expend monies equal to those provided as matching grants to the States for boating safety programs.

The legislation also authorizes the expenditure of funds from the boating safety account for a period of ten fiscal years, and specifically provides that contributions of funds, real property, materials and services by private interests can be utilized by States to match monies available through the Sport Fish Restoration Account.

Our position goes beyond those provisions specifically embraced in the legislation. We endorse the retention of the provision, in the original Act, requiring that States expend at least 10 percent of the monies available to them under the Sport Fish Restoration Account to improve access to public waters for boaters, as well as the authorization to use funds from the Sport Fish Account for Aquatic Resources Education programs.

We also ask the Congress' help in assuring that a portion of the monies available to the Coast Guard and to the Department of the Interior for administration of the fund be utilized to conduct a regular survey of boating activity and boater needs. We would note that State fuel tax receipts attributable to the purchase of motorboat fuels are approximately twice the amount collected in Federal tax, and we have a strong interest in ensuring that, just as at the Federal level, the States return an equitable portion of their gasoline tax to aid boating and fishing.

We further support periodic National gatherings of angling, boating and appropriate Government representatives to discuss the long-range objectives of the Aquatic Resources Trust Fund, funded in part by monies made available for the administration of the program.

This ALAB position has been specifically endorsed and adopted by each of the ALAB members. They're listed in my testimony. I won't take the time to read those, Mr. Chairman, but I think you'll agree it's an impressive and comprehensive list.

Mr. Chairman, we certainly appreciate the interest you personally have shown us in assuring the wise investment of boater and angler paid taxes which fuel the Aquatic Resources Trust Fund. We especially appreciate your concern about the difficulties encountered in providing the authorized level of funding for State boating safety programs. We are optimistic that full funding will be provided for these important programs during Fiscal Year 1989, thanks in part to your own efforts, and the testimony that you offered to the Appropriations Subcommittee. Should funding difficulties continue, we will be anxious to work with you to overcome this problem legislatively during the 101st Congress.

Thank you for your interest.

[The prepared statement of Mr. Crandall may be found at end of hearing.]

Mr. HUTTO. We thank you for your good testimony, and for your support of Wallop-Breaux and other programs. And, of course, you might know that the Subcommittee on Appropriations yesterday did reprogram $60 million, some of which comes from Coast Guard programs, but anyway, I think that's a good start and maybe we're on the road to getting back to where we can have routine patrols and do the things that the Coast Guard has to do.

My staff has discussed with you the possibility of increasing the amount to be authorized to the Boat Safety Account, because of the unexpected increase in revenue from motorboat fuel taxes. I appreciate the fairness that you have demonstrated in keeping an open mind while considering the information my staff and GAO have provided to you about the tremendous increase in revenue above what had been anticipated when the Wallop-Breaux bill was passed.

It would be very helpful to us if ALAB can make a decision before our committee marks up the bill.

Mr. CRANDALL. Mr. Chairman, we feel very comfortable in committing to you that we will review the data that your staff and GAO, and others have brought before us. We are committed to an equitable division of the funds available through the Aquatic Resources Trust Fund. That was the premise that undergirded our existing consensus position. We are now in the process of evaluating the data, and will be back to you prior to markup with a consensus position.

Mr. HUTTO. We appreciate that very much. Thank you.

You mention, Mr. Crandall, the need for a survey of boating activity to compliment the National Hunting and Fishing Survey. I agree that a comprehensive study would be very beneficial, and the subcommittee staff has been considering the best way to accomplish this. We would welcome any suggestions that you may have on who could conduct such a study in a very timely manner.

Mr. CRANDALL. We appreciate that. And we have enjoyed the opportunity to discuss various options with your staff. We think it's just terribly important that we avoid some of the problems associated with existing Federal surveys, both in terms of the cost of those surveys, and also the delay in obtaining the results.

I have in front of me, as a matter of fact, two copies of outdoor recreation surveys; one distributed in April of 1986, after some four years of data manipulation. It contains 1982–1983 data. This was prepared by the Bureau of the Census.

The other volume is a report commissioned by the President's Commission on Americans Outdoors. It was done in three months by Market Opinion Research, a private vendor. Both have remarkably similar results. The data base was similar. The cost, however, of the private sector one was roughly one-tenth the cost of the publicly funded one. Plus, of course, we got the data in April 1986, within three months after its collection.

I would suggest that there may be some creative ways to work with those organizations that are interested in the data, the private sector, and to do it cooperatively as opposed to putting the entire responsibility on one of the Federal agencies.

Mr. HUTTO. That's good information. Thank you.

Should we—this is a matter of timing on the bill—should we shorten the reauthorization to only five years in order that we can review the results of the study?

Mr. CRANDALL. Mr. Chairman, I think it's important to understand why the American League of Anglers and Boaters suggested a 10-year authorization. We believe that the funding for the Aquatic Resources Trust Fund is essentially fixed and will be near permanent. We also note that the Sport Fish Restoration Account has a permanent appropriation and authorization attached to it. We simply used the 10-year cycle as a reasonable reflection of the permanent nature of the program as we foresaw it.

However, I can say that the American League of Anglers and Boaters would not oppose a somewhat shorter time period, perhaps five years, to allow us to look at additional trend data.

Mr. HUTTO. If we look at other funds, I'm informed that the Highway Trust Fund is only authorized through 1993, so I guess that's a 5-year authorization.

Well, thank you for your comments on that.

Mr. Pickett?

Mr. PICKETT. I have no questions.

Mr. HUTTO. All right.

Well, Mr. Crandall, we are appreciative of your statements today and the information you've given us. And we look forward to continuing to work with you.

Mr. CRANDALL. Thank you.

Mr. HUTTO. Thank you and ALAB.

Our last panel for today's hearing includes Michael Sciulla, Vice President of The Boat Owners Association of the United States; Mark Reeff, Resource Specialist, International Association of Fish and Wildlife Agencies; Ron Stone, Director of Government Affairs, National Marine Manufacturers Association; and William Ivers, Vice President of the States Organization for Boating Access.

Mr. Ivers, who is Director of the California Department of Boating and Waterways, is testifying in place of Keith Wilson, the President of SOBA, who had arranged to be here on Tuesday when the hearing was originally scheduled. Mr. Ivers, our colleague, Mr. Konnyu, who had to leave apparently for another meeting, wanted me to extend his apologies to you for not being here. I understand that you were his seatmate in the California legislature, and because of that he says that he will really scrutinize your testimony——

Mr. IVERS. I'm in trouble. [Laughter.]

Mr. HUTTO [continuing]. And review it very closely.

Anyway, I hope you will also express my apologies to Mr. Wilson for having to change the date of the hearing at the last minute.

We're delighted to have all of you, and we'll start from my left to right. Your prepared statements will be inserted immediately following your oral presentations. Mr. Sciulla, I guess you will be first.

STATEMENT OF MICHAEL SCIULLA, VICE PRESIDENT, BOAT OWNERS ASSOCIATION OF THE UNITED STATES

Mr. SCIULLA. Good afternoon, Mr. Chairman, Congressman Pickett. It's good to see both of you again. For the record, I'd like to submit my testimony and then just deliver right now a summary.

Mr. HUTTO. Yes, that will be fine. Your full statement will be entered into the record.

Mr. SCIULLA. Thank you.

I am Michael Sciulla, Vice President of Boat Owners Association of the United States. We're an organization of more than one-quarter million recreational boat owners.

Mr. Chairman, nearly 15 million boat owners in this country, and 70 million citizens who went boating last year benefitted from the boating safety efforts of the States and the Coast Guard. This subcommittee has played a lead role over the years, in fact in the last two decades, in fostering boating safety. And we believe that this subcommittee can, and quite frankly, should, take much credit for the dramatic strides made in boating safety since enactment of the Federal Boat Safety Act of 1971.

I want to say that these dramatic strides have been accomplished, in part, because Congress long ago recognized that any success in improving boating safety was predicated on encouraging the States to play an active role on our Nation's waterways, much of which is under Federal jurisdiction. And I do want to stress that, Mr. Chairman. The waters that boaters boat on are primarily under Federal jurisdiction. The States have entered into a program under the Boating Safety Account, under Congress' direction, to join with the Coast Guard in improving boating safety. But I do want to make the point, that these are primarily Federal waterways.

The program has been singularly successful since implemented. And today, as you've heard, the States are generally spending four times as much on boating safety, as the United States Coast Guard. But, nonetheless, the Coast Guard has benefitted significantly from the boating safety account. They have collected some $70 million over the last four fiscal years for their boating safety efforts.

But, Mr. Chairman, we believe that this compact between the Coast Guard and the States, or the States and the Federal Government, is threatened by continued Administration attempts to cut State allocations in half as well as Congressional budget constraints which treat these trust fund dollars as if they were general revenue dollars.

Mr. Chairman, the authorization to spend the boating safety monies expires this year. We certainly applaud your decision to join the chairman of the Full Committee, Mr. Jones, and the Ranking Member, Mr. Davis, in co-sponsoring H.R. 3918.

Now we do have a few suggestions that we would like you to consider in the reauthorization of H.R. 3918. As you know, this bill basically increases the authorization level from $45 to $60 million. There has been some information provided to the subcommittee and to us beforehand, from GAO and Treasury, that indicates that this amount of money attributable from boats with motors is going to rise significantly. We hope you take a good, close look at that. And we promise to work closely with you and your staff as you come up with a new reauthorization level.

Now, there are three important changes that we would like to suggest to this bill. Number one, we do not believe that boating safety is going to be served if the States are allowed to take Federal Trust Fund monies and substitute these funds for State dollars, and then reduce State expenditures accordingly. We believe that a strict maintenance of effort provision should be included in the law, which ensures that Federal Trust Fund monies augment, and are not used to replace State funding. And by the way, the same restraints should also be applied to the Coast Guard, which has used the money that it has received to offset, and not augment, general revenue funding for boating safety purposes.

Secondly, we believe a provision should be added which would ensure that no one State receives more than five percent of the monies available from the Boat Safety Account. This was originally a part of the Federal Boat Safety Act of 1971. We urge you to put it back in.

Thirdly, we urge you to direct the Coast Guard to add at least two new administrative billets, perhaps in the Committee Report, so that the public has a better idea of actually how this money is being spent.

And finally, as you've heard from a number of other witnesses today, in fact GAO mentioned to you on a direct response to a question, that they can't make a direct correlation between the amount of money spent and the boating fatality rate. It has long been known that we suffer in boating safety from a severe lack of up-to-date statistics. The last time the Coast Guard did this was back in the 1973 to 1976 period. We're 10, 12 years out of date there. The Coast Guard estimates that it may get 98 to 100 percent of its fatality data, but as far as boating accidents are concerned, they may get five to ten percent of that data. And if there were 1,200 fatalities last year, and injuries were what, I guess 10 percent, you might be talking anywhere from 12,000 injuries last year to 24,000 injuries that really basically go unreported. And without knowing what the cause of those injuries were, it's very difficult to design good boating safety programs.

So we would certainly concur with those witnesses beforehand who have urged the study. We believe that it should be derived from the Coast Guard's share of administrative expenses from the Boating Safety Account.

And finally, Mr. Chairman, I heard you mention earlier, the plight of the recreational boating safety units, one of which was down in Miami, Florida. Mr. Chairman, these units are indispensible. The Coast Guard maintains that the function is going to be taken over by their Marine Safety Offices. That's all well and good, but without any additional manpower, and without additional money, these already hard pressed Marine Safety Offices are just not going to be able to do the job. And we would urge you to do what you can to reverse this decision.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Sciulla may be found at end of hearing.]

Mr. HUTTO. Thank you, Mr. Sciulla.

Mr. Reeff, you may proceed.

STATEMENT OF MARK J. REEFF, RESOURCE SPECIALIST, INTERNATIONAL ASSOCIATION OF FISH AND WILDLIFE AGENCIES

Mr. REEFF. Mr. Chairman, I would first ask my full statement be incorporated into the record.

Mr. HUTTO. It will be so ordered.

Mr. REEFF. Thank you, sir.

Mr. Chairman, my name is Mark Reeff, and I'm here today representing the International Association of Fish and Wildlife Agencies. The Association appreciates the opportunity to discuss the Boating Safety Account or the Aquatic Resources Trust Fund with the subcommittee.

The International Association of Fish and Wildlife Agencies is a quasi-governmental organization of public agencies charged with the protection and management of North America's fish and wildlife resources. The Association's governmental members include the fish and wildlife agencies of the States, provinces, and Federal Government of the United States, Canada, and Mexico. All 50 States are members.

The Association's 50 State Members share in the very successful Aquatic Resources Trust Fund, more popularly known as Wallop-Breaux. Although the original Dingell-Johnson Act taxed fewer items, it proved to be the mainstay for State fishery programs, guaranteeing an annual appropriation of receipts to the 50 States.

The Wallop-Breaux amendments in 1984 were a logical marriage of boating and fishing interests. Since an excess of 80 percent of all boats are used for fishing to at least some extent. The 1984 amendment authorized an annual appropriation of $30 million for a boating safety and access grant program to the States and $15 million for monies to the U.S. Coast Guard for services rendered to recreational boaters. The 1984 amendment also provided that monies for State Sport Fish Restoration would continue as an automatic appropriation, and that any unappropriated monies from the boating portion of the Act would automatically be appropriated for sport fish restoration.

The Association strongly supports this year's reauthorization of the Act which will provide $60 million to boating programs to be divided equally between the boating grants program and the United States Coast Guard. This Association, in conjunction with other members of the American League of Anglers and Boaters, support this equitable division of the funds.

The Association is concerned with the boating account. Thirty-nine of our State members administer boating programs and all members receive sport fish restoration monies.

The boating program has been inadequate and variable. We urge the subcommittee, in behalf of our boating agencies, to authorize the boating monies at the $60 million level. The International Association also urges the subcommittee to direct the Coast Guard to provide services to recreational boaters through their share of these funds. We feel this is appropriate, given the fact that funds in the Account are paid by the beneficiaries and eventual users of those funds.

The agreement for this reauthorization enjoys the full endorsement of this Association's State members and other members of ALAB. All have joined and are committed to the continuing success of this already very successful legislation. It has been suggested that the $60 million level is inadequate and needs to be increased. This would run contrary to the agreement reached by ALAB, and ALAB's diverse and wide-varied coalition. Based on our survey of all States' boating programs, this Association, at this time, cannot document the need to raise this amount during the reauthorization.

Thank you, Mr. Chairman.

[The prepared statement of Mr. Reeff may be found at end of hearing.]

Mr. Hutto. Thank you, Mr. Reeff.

Mr. Stone, we're glad to have you. You may give your statement at this time.

STATEMENT OF RON STONE, DIRECTOR OF GOVERNMENT AFFAIRS, NATIONAL MARINE MANUFACTURERS ASSOCIATION

Mr. Stone. Thank you, Mr. Chairman. As a matter of course, I respectfully request that our written remarks be entered in the hearing record.

Mr. Hutto. Yes.

Mr. Stone. The National Marine Manufacturers Association, representing the recreational boating industry, enthusiastically supports your bill, H.R. 3918, for reauthorization of the Boating Safety Account of the National Aquatic Resource Trust Fund.

As a charter member of ALAB, we endorse the coalition's consensus agreement on the bill, as described to you by President Crandall. However, in our opinion, there are serious oversights in the way the Boating Safety Account is presently structured and administered. Therefore, we are taking this opportunity to ask the subcommittee to set matters right by either amending the law, or providing remedial report language as deemed appropriate.

One bone of contention is public access. The law gives the States the prerogative of spending their share of the Boating Safety Account on any combination of eight different elements, which in Congress' judgment would make up a well-rounded recreational boating safety program. This explicitly includes acquisition, construction, or repair of public access. Yet, we find the Coast Guard has consciously sought to discourage and frustrate State applications for funding public access projects out of the Boating Safety Account. Their instructions to the States on how to apply for funding point out the Coast Guard's preference for certain programs, pointedly omitting public access, even to the extent of leaving out application forms pertinent to application for public access.

Further, the Coast Guard has publicly announced in more than one forum that it will reject any public access project application which does not include a detailed explanation of how the project can be expected to provide for and enhance boating safety. This Coast Guard bias may be one reason why only eight or nine States and territories in any one fiscal year have tapped into the Boating Safety Account for public access.

We submit it's out of order for the Coast Guard to interfere with the States' prerogative and to attempt to reorder States' priorities according to the Coast Guard's wishes. When the Coast Guard requires linkage between boating safety and public access on a case-by-case basis, it is ignoring report language on the original Wallop-Breaux Act. There the Merchant Marine and Fisheries Committee agreed such linkage was unnecessary because access is an integral part of boating safety. We would respectfully ask the subcommittee to restate this for the Coast Guard's benefit so there can be no further excesses of authority on this point.

Other issues with us are continuity of funding and accountability for spending. We have heard the Coast Guard tell the States, many times, that it's looking for a well-rounded boating safety program. Yet, if you analyze how the States are spending their share of the Boating Safety Account, there appears to be a disproportionate emphasis on training and equipment for law enforcement, and little or no spending in other eligible program areas. This we attribute to the uncertainty of the annual appropriations process under the Boating Safety Account, and to the States understandable reluctance to commit to long-term programs without guarantees of continuity of Federal financial assistance.

Clearly, something needs to be done to elevate the importance of recreational boating safety programs in the consciousness of appropriating committees, and to circumvent the Transportation Department budget ceiling which does force hard choices against spending out of the Boating Safety Account. Unfortunately, as you've heard, it's hard to make the point because there is a scarcity of information about what the States or the Coast Guard, for that matter, use their share of the Boating Safety Account for. The Coast Guard does not publish such information for general public consumption. Should you ask for particulars, they'll tell you they are too understaffed and overworked to help out, unless you care to come in and go through the files for yourself.

We question whatever happened to the one to two percent of administrative expense money that Congress voted the Coast Guard off the top of States' boating safety assistance to monitor these programs. It was supposed to be used to hire more staff, more State liaison, in the office of Boating Public and Consumer Affairs. It never was, because of budget ceilings, called full-time equivalents, which put a lid on Coast Guard hiring practices. Consequently, there is $500,000 to $600,000 a year in administration expense money which is not being used for its intended purpose. Under the circumstances, we say that the money should not come off the top of State boating safety assistance, but rather be charged against the Coast Guard's share for whatever it is the Coast Guard's doing with this money.

But we're not satisfied to leave it at that. We suggest that the five percent money available for Coast Guard grants to National nonprofit organizations in the boating safety field, also come out of the Coast Guard's share, not the States'. We also ask the Coast Guard and the States be required to furnish detailed, periodic accounting of how they spend their respective share of the Boating Safety Account, and that this information be made available to the public.

Finally, I come to the question of equity of distribution. One of the most redeeming features of the Boating Safety Account is that it is self-supporting. Funding for it comes entirely from Federal taxes collected on gasoline purchased to go power boating. No demands are made on general revenues. It's highly questionable whether the account is netting as much as it is owed. The subcommittee is well aware of Treasury Department problems with estimating National Marine Fuel Consumption. Therefore, NNMA is in favor of a National study of gallonage consumption of gasoline in boats financed by administrative expense money in the Wallop-Breaux Fund, in order to make a more accurate determination of Federal Motorboat Fuel Tax receipts. And, if it develops from that, that a more equitable division of those revenues between the Boating Safety Account and the Sport Fish Restoration Account is in order, then let it be so.

Thank you.

[The prepared statement of Mr. Stone may be found at end of hearing.]

Mr. HUTTO. Thank you, Mr. Stone.

Mr. Ivers?

STATEMENT OF WILLIAM IVERS, VICE PRESIDENT, STATES ORGANIZATION FOR BOATING ACCESS

Mr. IVERS. Thank you, Mr. Chairman. I would also respectfully request my written remarks be included in the record?

Mr. HUTTO. It shall be done. Thank you.

Mr. IVERS. Thank you, Mr. Chairman.

Mr. Chairman, Members, I'm Bill Ivers. I'm Vice President of the States Organization for Boating Access, and at the present time—it was started two years ago, and at the present time we have 30 States who are members, and I am speaking on behalf of each of their boating facilities programs in making this appearance today.

When the Wallop-Breaux Act was being considered, the States asked that funds for boating access be provided through boating safety appropriations as well as through the Fish Restoration and Management Program. This is because the latter tends to be administered in many States by agencies largely, if not solely, concerned with sport fishing programs. Although Congress mandated that no less than 10 percent of the total funds appropriated under the Fish Restoration and Management Program be spent for boating access, the tendency in many States to make that the limit.

As a result, availability of funds through the State's boating safety program has been an important resource to many States. We believe the concept has worked well and encourage Congress to continue it when it considers reauthorization of boating safety legislation.

And I think, in addition, however, we believe that additional action by Congress could strengthen this aspect of boating safety. For example, the total authorization to the various States for boating safety has never been appropriated in any year by Congress. To encourage such action, we would like Congress to authorize funds to the States for boating purposes to carry over from year to year. This would, in our judgment, greatly increase the provision of boating access by the various States.

And finally, in conclusion, we believe Congress has acted wisely in expanding the definition of boating safety to include provision of boating access. It is our hope that this inclusion will be continued and even enhanced through the reauthorization process.

Thank you, Mr. Chairman.

[The prepared statement may be found at end of hearing.]

Mr. HUTTO. Thank you, Mr. Ivers. And thank all of you for very excellent testimonies, as well as very good suggestions.

We obviously all agree on one point, the value of the Wallop-Breaux Trust Fund to both boating safety and sport fishing programs. You are aware of the suggestion that it might be more equitable to provide $70 million instead of $60 million to the Boat Safety Account. How do each of you think that your organizations would feel about such a change? Since ALAB is still studying the proposal, I certainly can understand if you don't want to make a commitment right now. But if you have any comments on that, we'd be happy to hear them.

Yes, Mr. Sciulla?

Mr. SCIULLA. Yes. If I could correct the record, Mr. Chairman. I thought I heard $75 million, not $70 million?

Mr. HUTTO. Seventy.

Mr. SCIULLA. Seventy. I've heard $75 or $80.

Mr. HUTTO. Do you have any thoughts on that?

Mr. SCIULLA. The information that we have indicates that, and I think this came from GAO, that if all things being equal, and this fund were to truly to reflect the amount of money coming in from motorboat fuel taxes and continuing the division originally stated in 1984, that the Boat Safety Account would be due to receive $74 million in Fiscal Year 1989, $76.5 million in 1990, $79 million in Fiscal Year 1991, and $82 million in Fiscal Year 1992.

As you heard Mr. Crandall say earlier, we are currently reviewing this data and expect to have a decision based on equity in the not-too-distant future.

Mr. HUTTO. Okay.

I understand your figures are in line with what the staff says. Mr. Reeff?

Mr. REEFF. Mr. Chairman, the International Association continues to support the ALAB position, and seeing as that the materials from GAO are still draft, and unattributable to our understanding, we're not willing to deviate from that position at this time.

Mr. HUTTO. I'm informed that these are Treasury figures.

Mr. REEFF. Yes.

Mr. HUTTO. They're not draft figures.

All right.

Mr. Stone, do you have a comment?

Mr. STONE. Yes, sir.

Mr. Chairman, as a charter member of ALAB, in fact I'm an officer of the group, the National Marine Manufacturers Association would feel honor-bound to honor the agreement that was reached by the coalition.

However, in all candor, I must say that we reached that agreement without the benefit of the information that we have heard here today. And in light of the new data, it may be that ALAB will wish to reevaluate its judgment on what constitutes equitable distribution. If that judgment is in favor of raising the ceiling on the Boating Safety Account, of course, we would concur in that decision.

I must point out, however, something that bothers me greatly. It's that the problem with the Boating Safety Account does not seem to be how much you're going to authorize for it, but how little we seem to be able to manage to get appropriated for it. And I question what good will come from raising the ceiling beyond $60 million, $70 million, $75 million, whatever, if we continue to be hamstrung by Transportation Department budget ceilings, which have nothing to do with the merits of the Wallop-Breaux Act, but which nevertheless frustrate getting the Boating Safety Account appropriated to the full level of authorized funding. Unless something can be done to raise the importance of State and Coast Guard recreational boating safety services in the consciousness of the Transportation subcommittees within appropriations, we predict that all that will result from raising the ceiling on the Boating Safety Account will be to have more authorized but unappropriated monies spilling over to the Sport Fish Restoration Account.

Mr. HUTTO. That sometimes happens. In fact, often happens. And that could be the case. On the other hand, it's happened the other way too, and the authorizing committees get extremely upset at that. We're always bickering over that.

The need for a new study is—well, Mr. Ivers, you didn't comment on the figures.

Mr. IVERS. I don't have an authorized position on that particular point from my Board.

Mr. HUTTO. Okay.

The need for a new study is apparent. Do any of you have any suggestions on who best could do this? We've asked other witnesses that, do you have a thought on it?

Mr. STONE. Yes, sir, we do.

Mr. HUTTO. We would be glad to hear it.

Mr. STONE. As we may have suggested in our written testimony, there is administrative expense money in the Wallop-Breaux Fund. The Coast Guard gets one to two percent off the top of the Boating Safety Account. The U.S. Fish and Wildlife Service gets, what, six percent, from the Sport Fish Restoration Account. There's ample money, it seems to us, to undertake such a study.

Furthermore, there's been an indication from among those agencies that they would be willing to incur that expense to conduct such a study, because it redounds to the benefit of both accounts to have a good handle on how much motorboat fuel tax revenue is being generated.

Mr. HUTTO. Mr. Sciulla?

Mr. SCIULLA. I'd like to follow up on the question before on appropriations that you made. I do want you to know that we deeply appreciate the testimony that you made before the Transportation Appropriations Subcommittee last week, in encouraging a full appropriation for this trust fund. And we are certainly delighted to find that the Chairman of that Subcommittee, Mr. Lehman of Miami Beach, has signed on as a co-sponsor of H.R. 3918. So I think that's very encouraging.

But there is one question that I did want to clarify in my own mind. The figures that I read to you before on the fuel tax that ought to be going to the Boating Safety Account, is it my understanding that these are final Treasury figures, based on final Treasury figures from staff?

Mr. HUTTO. They're Treasury figures, and not draft.

Mr. SCIULLA. They're not draft?

Mr. HUTTO. They're projections. They're five-year projections.

Mr. SCIULLA. But they are not draft figures?

Mr. HUTTO. No.

Mr. SCIULLA. Thank you.

Mr. HUTTO. Thank you.

Are there other comments on this matter?

[No response.]

Mr. HUTTO. Okay.

Should the reauthorization—we've asked other witnesses this also—should it be shortened to only five years in order that we can take advantage of a new study, as well as to bring the reauthorization in line with the Highway Trust Fund, which has been reauthorized until 1993?

Mr. SCIULLA. We have no objection. I'm not aware of anybody else, Mr. Chairman, that's got any objection to that.

Mr. HUTTO. No objection.

Mr. STONE. No objection.

Mr. HUTTO. All right.

We want to thank you all very much for your testimony, Mr. Sciulla, Mr. Reeff, Mr. Stone, Mr. Ivers. Thank you for your interest in safety and thank you for your testimony.

There is no question that legislation to reauthorize the Boat Safety program under the Wallop-Breaux Trust Fund should be approved before Congress adjourns this year. Since it's an "even-numbered year", we obviously must work quickly.

I think it's fair to state, also, that there is room for a good deal of improvement in administration of the program by the Coast Guard, and the bill reported by our committee for reauthorization may address some of these problems, as well.

In any event, I am confident this committee will move quickly to mark up the legislation, and we appreciate the assistance of our witnesses today in pointing out areas that need to be reviewed during our consideration of the bill.

Let me also say that I appreciate the offer by the many groups testifying today to help us work out an even more difficult problem—getting the Appropriations Committee to actually fund the full amount we authorize for the Boat Safety Account. While that problem may be more difficult, I look forward to working with all of you toward a solution.

Mr. Ivers. Thank you, Mr. Chairman.

Mr. Hutto. And with that, the Subcommittee on Coast Guard and Navigation stands adjourned.

[Whereupon, at 3:30 p.m., the subcommittee was adjourned.]

[The following was submitted for the record:]

I

100TH CONGRESS
2D SESSION

H. R. 3918

To authorize expenditures for boating safety programs, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 8, 1988

Mr. JONES of North Carolina, (for himself, Mr. DAVIS of Michigan, Mr. HUTTO, Mr. BIAGGI, and Mr. YOUNG of Alaska) introduced the following bill; which was referred jointly to the Committees on Ways and Means and Merchant Marine and Fisheries

---

A BILL

To authorize expenditures for boating safety programs, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TRANSFERS TO AND EXPENDITURES FROM BOAT SAFETY ACCOUNT.

(a) TRANSFERS TO ACCOUNT.—

(1) AUTHORIZATION OF TRANSFERS.—Clause (i) of section 9503(c)(4)(A) of the Internal Revenue Code of 1986 (relating to transfers to the Boat Safety Account) is amended by striking "before October 1, 1988" and inserting "before October 1, 1999".

(2) INCREASE IN MAXIMUM TRANSFER AND MAXIMUM AMOUNT IN FUND.—Subclauses (I) and (II) of subsection 9503(c)(4)(A)(ii) of the Internal Revenue Code of 1986 (relating to limitations on transfers to and the amount in the Boat Safety Account) are each amended by striking "for Fiscal Year 1987 only and $45,000,000 for each fiscal year thereafter".

(3) TECHNICAL AMENDMENT.—Subparagraph (E) of section 9503(c)(4) of the Internal Revenue Code of 1986 (relating to determination of the amount of payments to the Sport Fish Restoration Account) is amended by striking the second sentence.

(b) EXPENDITURES FROM ACCOUNT.—Subsection (c) of section 9504 of the Internal Revenue Code of 1986 (relating to expenditures from the Boat Safety Account) is amended by striking "before April 1, 1989," and inserting "before October 1, 1999,".

SEC. 2. AUTHORIZATION OF CONTRACT SPENDING FOR RECREATIONAL BOATING SAFETY PROGRAMS.

(a) STATE PROGRAMS.—Subsection (a) of section 13106 of title 46, United States Code (relating to authorization of contract spending for recreational boating safety programs), is amended—

(1) by striking "in each of the fiscal years 1985, 1986, 1987, and 1988" and inserting "in each fiscal year"; and

(2) by striking "for Fiscal Year 1987 and two-thirds for each Fiscal Year thereafter".

(b) EXPENDITURES FOR COAST GUARD SERVICES.—Subsection (c) of section 13106 of title 46, United States Code, is amended—

(1) in the first sentence by striking "for Fiscal Year 1987 and one-third for each Fiscal Year thereafter."; and

(2) by inserting after the first sentence the following: "Expenditures for a fiscal year under this subsection shall not exceed expenditures for the fiscal year under subsection (a).".

SEC. 3. IN LIEU CONTRIBUTIONS.

The Act entitled "An Act to provide that the United States shall aid the States in fish restoration and management projects, and for other purposes" (64 Stat. 430; 16 U.S.C. 777 et seq.) is amended by adding at the end the following:

"SEC. 13. IN LIEU CONTRIBUTIONS.

"A State may use contributions of funds, real property, materials, and services to carry out an activity under this Act in lieu of payment by the State of the State share of the cost of such activity. Such a State share shall be considered to be paid in an amount equal to the fair market value of any contribution so used.".

SEC. 4. CONFORMING AMENDMENTS.

Section 9504(b)(2) and section 9504(c) of the Internal Revenue Code of 1986 are each amended by striking "June 1, 1984" and inserting "October 1, 1988".

SEC. 5. EFFECTIVE DATE.

This Act shall take effect October 1, 1988.

○

NATIONAL BOATING FEDERATION
2550 M STREET, N.W., SUITE 425, WASHINGTON, D.C. 20037 [202] 659-1588

RESOLUTION

WHEREAS, Though pleased with the principle of using marine fuel tax for boating safety and public access improvements under the Boating Safety Account of the Wallop-Breaux Fund, the National Boating Federation finds the administration of the Boating Safety Account imperfect in many respects; and

WHEREAS, for example, there is ample proof that the Treasury Department has underestimated annual marine fuel tax contributions causing an irretreivable loss of many millions of dollars that might otherwise have been spent on recreational boating safety and public access; and

WHEREAS, for another example, the Coast Guard has failed to provide any accounting of how it spends its share of the Boating Safety Account on recreational boating safety services and has given skechy and incomplete reports on how the States use their allocations; and

WHEREAS, There should be sufficient administrative expense money in the Fund to commission a national marine fuel tax study to take the guesswork out of determining how much rightfully belongs to the Fund and also to enable the Coast Guard to provide periodic detailed reports of what the Boating Safety Account is used for; and

WHEREAS, the Coast Guard also needs direction from Congress so that it does not overstep its authority as Boating Safety Account administrator by unduly influencing the States on what use to make of their allocations;

Now, Therefore, Be It Resolved, That the National Boating Federation in Annual Meeting assembled at Long Beach, California this 23rd day of April, 1988, does hereby urge the authorizing committees of Congress for purposes of the Boating Safety Account of the Wallop-Breaux Fund to conduct oversight to cure these deficiencies.

NATIONAL BOATING FEDERATION
2550 M STREET, N.W., SUITE 425, WASHINGTON, D.C. 20037 (202) 659-1588

WHEREAS, The idea of employing Federal marine fuel tax to help finance recreational boating safety services of the several States and the Coast Guard originated with the National Boating Federation; and

WHEREAS, The National Boating Federation was in the forefront of those who campaigned for translation of the idea into the Wallop-Breaux Act with a dedicated trust fund known as the Boating Safety Account; and

WHEREAS, the National Boating Federation is satisfied that the use of the Boating Safety Account for recreational marine law enforcement, education, and other boating safety related programs during the initial authorization period has been productive and well worth continuing;

NOW, THEREFORE, BE IT RESOLVED, That the National Boating Federation in Annual Meeting assembled at Long Beach, California this 23rd day of April, 1988, does hereby enthusiastically support H.R. 3918 and S. 2032 for reauthorization of the Boating Safety Account of the Wallop-Breaux Fund, and unreservedly urge adoption of this legislation; and

BE IT FURTHER RESOLVED, That the President be and he is hereby instructed to forward copies of this resolution to the chairmen of all committees of Congress that must pass upon reauthorization of the Boating Safety Account.

United States General Accounting Office

GAO

Testimony

For Release
on Delivery
Expected at
1:30 p.m. EST
Thursday
April 28, 1988

Wallop-Breaux Trust Fund

Statement of
Victor S. Rezendes, Associate Director
Resources, Community, and Economic
Development Division

Before the
Subcommittee on Coast Guard and Navigation
House Committee on Merchant Marine
and Fisheries

GAO/T-RCED-88-38

Mr. Chairman and Members of the Subcommittee:

We appreciate the opportunity to testify about our work on the Boat Safety Account of the Aquatic Resources Trust Fund, or as it is popularly known, the Wallop-Breaux Trust Fund. The purpose of this account, which is administered by the Coast Guard, is to help support recreational boating safety activities.

At your request our work focused on how states and the Coast Guard spent trust fund moneys, and the adequacy of the Coast Guard's administration of the program. We will also discuss the proposal to increase the amount of funding to the Boat Safety Account as delineated in H.R. 3918.

Our testimony today will concentrate on four points: (1) states mainly spend their federal grant moneys on upgrading law enforcement equipment, (2) the Coast Guard uses its share to offset its boating safety operating expenses, (3) Coast Guard oversight of state grants, although adequate, is essentially ministerial, and (4) providing additional money to the Boat Safety Account may not increase boating safety.

In doing our work, we focused on six states--California, Maryland, Minnesota, Nebraska, New York, and Virginia. We selected these states, in cooperation with the Committee, because they represent a range of geographic locations, program sizes, and other factors. However, activities in those states may not be representative of activities in the 54 participating states[1]. We also discussed program activities with Coast Guard officials and analyzed state reports and responses to a Coast Guard questionnaire.

---

[1] Includes 49 states and American Samoa, the District of Columbia, the Northern Marianas, Puerto Rico, and the Virgin Islands.

WALLOP-BREAUX TRUST FUND

The trust fund, established in fiscal year 1985, consists of two accounts, each with its own earmarked revenue sources. The Boat Safety Account receives its revenues from the first $45 million of gasoline taxes attributable to motorboat fuel sales. By law, no revenues may be transferred into the account if the transfer will result in increasing the account's balance to more than $45 million. Thus, the full $45 million cannot be transferred if the account contains unobligated balances from previous years. Because of this restriction, transfers into the account were limited in fiscal years 1985 and 1986 to $15.5 million and $37.5 million, respectively. The replenishment in fiscal year 1987 was the maximum $45 million.

Surplus motorboat fuel taxes are deposited in the Sport Fish Restoration Account to assist state fish restoration and management projects. In fiscal years 1985 through 1987 this account received $135.4 million from excess motorboat fuel taxes. The Sport Fish Restoration Account also receives revenues from excise taxes on fishing equipment and imported vessels. The Department of the Interior's Fish and Wildlife Service manages this account. (Att. I presents information on the distribution of motorboat fuel tax revenues.)

STATE SPENDING OF BOAT SAFETY FUNDS

About two-thirds of the $45 million for the Boat Safety Account is allocated to states according to a three-part formula. The first third of the money is allocated equally to all states; the second third is allocated to states according to their proportion of registered boats; the final third is allocated to states according to their proportion of total expenditures on state recreational boating safety programs. (Att. II lists the amounts allocated to each state.)

The law requires that states match federal funds dollar-for-dollar. In most cases, this requirement does not present a problem and states request all the funds available to them. According to data reported to the Coast Guard, states spend about $4 of their own money for every $1 of federal money.

Except for Guam and Vermont, which chose not to participate, all states received most of the funding to which they were entitled. We did find, however, that six states did not request a total of $1,041,783 of fiscal year 1987 funds available to them. According to Coast Guard officials, these states have relatively small boating safety programs and cannot provide enough matching funds to justify their full allocation. Officials in Nebraska, a state that was part of our detailed review, offered a different explanation. They said that the Coast Guard's instructions on how to apply for some elements of the grants are so confusing that they decided not to request the full allocation.

The law also provides that, once amounts are allocated to a state, they must be obligated within 3 years or else they revert back to the Coast Guard for reallocation. Although this requirement also does not present a problem in most cases, we did find that eight states are at risk of losing about $605,016 of fiscal year 1985 money if they do not obligate it by this September.

To find out how states spent federally provided funds under this program, we reviewed state reports to the Coast Guard, analyzed state responses to a questionnaire sponsored by the Coast Guard and the National Association of State Boating Law Administrators, and spoke with officials in six states. According to our analysis of 47 questionnaire responses, in fiscal year 1987, states spent about 45 percent of their federal funds on equipment and supplies for law enforcement and boating safety education. They also spent about 17 percent on safety inspections and marine casualty investigations, 14 percent on boating access, 10 percent on education, and the remaining 14 percent for other purposes.

State officials told us that they used federal funds mainly to replace worn or outdated boats, motors, and other law-enforcement equipment. They also told us that they concentrated on equipment for two reasons: because it was administratively easier to buy equipment with federal funds than with state funds and because it would be easier to deal with a potential reduction in available funding by postponing equipment purchases than by laying off people.

COAST GUARD SPENDING OF BOAT SAFETY FUNDS

The Coast Guard annually receives up to 2 percent of the amount available for state grants, to administer the program. In fiscal years 1987 and 1988, the Coast Guard retained the maximum proportion--2 percent--which corresponded to $600,000. It also received one-third of revenues for the Boat Safety Account--$15 million. In both cases, the Coast Guard has used such funds to offset its ongoing expenses. The Coast Guard is not required to use these funds to expand existing activities or initiate new activities, and it has not done so.

According to the Coast Guard, the $15 million it receives annually from the Boat Safety Account represents only a fraction of the more than $200 million a year it spends on activities related to recreational boating safety. It derives this figure by estimating the proportion of time spent in its operating programs on boating safety activities. For example, the Coast Guard estimated that 33 percent of its Search and Rescue Program activities benefited recreational boaters. Because that program's total costs in fiscal year 1987 were estimated to be about $415 million, the Coast Guard estimated that about $136 million worth of services were provided to recreational boaters. Adding that amount to similarly derived figures for the Recreational Boating Safety and Short-Range Aids to Navigation Program yields a total estimated value of services of $237 million.

COAST GUARD OVERSIGHT OF STATE ACTIVITIES

Although the Coast Guard's oversight of state boating safety activities provided adequate controls over program funding, it has been essentially limited to ministerial matters. It requires states to submit applications, a budget of total expenses expected to be incurred, a narrative description of ongoing and planned boating safety activities, and quarterly financial reports. Coast Guard officials use this information to monitor state programs and to determine whether they are meeting the dollar-for-dollar matching requirement. Also, as federal grantees, the states are subject to periodic public accounting audits of their grant funds.

The two Coast Guard people who oversee state activities told us that their time is fully occupied by the cited activities and that they do not attempt to determine how effectively states are spending the grant money. Such information could contribute to more informed budget decisions about the benefits of such grants. Moreover, they are not in a position to improve effectiveness by identifying particularly worthwhile education programs, for example, in some states and encouraging other states to implement them.

Even within the limited range of the Coast Guard's oversight, we found a problem--inconsistent categorization of state expenditures. The Coast Guard requires the states to report expenditures on the basis of four categories: law enforcement, education, administration, and public access. However, while we found Maryland categorized its expenditures on supplies and equipment for aids to navigation as being related to law enforcement, New York set up a new reporting category--safety--to report similar expenditures. Thus, in compiling national data, the Coast Guard recorded New York's "safety" expenditures as "other." Because these expenditures represented $3.3 million, or 70 percent, of the state's expenditures that year, this inconsistency presents a misleading picture of how New York spent its boating safety money. We found similar inconsistencies in reports filed by 14 other states. When we brought these inconsistencies to the attention of Coast Guard officials, they told us that they were aware of the inconsistencies and hoped to eliminate future problems by revising the reporting form.

ADEQUACY OF FEDERAL FUNDING FOR THE BOAT SAFETY ACCOUNT

Current funding arrangements for the Aquatic Resources Trust Fund reflect a continuing evolution over the past three decades. The $45-million cap on the Boat Safety Account dates from the Highway Revenue Act of 1982. It increased the federal excise tax on motor fuels from 4 cents to 9 cents a gallon and increased the amounts for the Boat Safety Account from $20 million to $45 million.

However, the cap has not been adjusted to reflect substantial growth in motorboat fuel tax revenues. When the Trust Fund was established, total motorboat fuel tax revenues for fiscal year 1985-88 were expected to be about $65 million, based on the Department of the Treasury's estimate that motorboat fuels accounted for three-fourths of one percent (0.75) of gasoline sales. At these levels, it was expected that the Boat Safety Account would receive about two-thirds, and the Sport Fish Restoration Account about one-third, of total motorboat fuel revenues.

However, in 1987, Treasury changed its methodology for estimating motorboat fuel consumption.[2] Accordingly, total revenues increased from $69 million in fiscal year 1986 to $98 million in fiscal year 1987 and are projected to grow to $128 million in 1993. If the $45-million cap remains intact, the Boat Safety Account's share will decline from two-thirds to a little more than one-third of the total.

Raising the cap and allocating more funds to the Coast Guard as proposed by H.R. 3918 would not necessarily result in more Coast Guard funding for boating safety because such funds may continue to be used to merely offset expenditures for ongoing safety programs. Similarly, it is uncertain how much safer recreational boating would be if state grants were increased. In 1985, the Coast Guard tried to assess the relationship between (1) the number of state boating fatalities and (2) size of state program budgets and amounts budgeted for law enforcement and education. The study concluded that available data were not sufficient to determine whether a relationship exists.

---

[2] Tax Policy: Allocating Motorboat Fuel Excise Taxes to the Aquatic Resources Trust Fund (GAO/GGD-87-43BR, June 1987).

We reached a similar conclusion last year.[3] We found that, once boating population and program size were taken into account, available data showed virtually no direct relationship between the number of boating deaths and either the share of federal funding or the percentages spent on enforcement, education, and administration. Evaluating state program effectiveness is restricted by the lack of data on how states spend program funds, benefits those funds produce, differences in state vessel registration systems, and a lack of comparability among state fatality rates. However, we recognize that obtaining and analyzing better data may be difficult and will likely require additional resources.

- - - -

In summary, the states are generally receiving all of the Boat Safety Account revenues available to them and spending them primarily on law enforcement. While motorboat fuel tax revenues have grown significantly higher than the $45 million cap on the Boat Safety Account, providing additional funds may not increase safety for two reasons: first, increases in the Coast Guard's share of the fund would probably continue to be used to offset its already high operating expenses for boating safety; second, the contribution of these revenues to safer boating at the state level is unclear because there are insufficient data to determine if a relationship exists between state boating fatalities and size of state program budgets.

---

[3] Department of Transportation: Enhancing Policy and Program Effectiveness Through Improved Management(GAO/RCED-87-3S, July 1987).

This concludes my prepared statement, Mr. Chairman. We will be pleased to address your questions.

AQUATIC RESOURCES TRUST FUND
Distribution of Motorboat Fuel Taxes
(in millions of dollars)

	1985	1986	1987	Total
Total revenues from motorboat fuel taxes	$65.9	$69.3	$98.2	$233.4
Replenishment of Boat Safety Account to $45 million	$15.5	$37.5	$45.0	$ 98.0
Excess revenues transfered to the Sport Fish Restoration Account	$50.4	$31.8	$53.2	$135.4

Source: Department of Treasury

STATE RBS ALLOCATIONS

	STATE	FY1985	FY1986	FY1987	STATE TOTALS
1	ALABAMA	$285,199	$660,021	$603,553	$1,548,773
2	AMERICAN SAMOA	80,899	172,869	172,893	426,661
3	ARIZONA	177,636	387,273	344,809	909,718
4	ARKANSAS	242,495	536,201	545,712	1,324,408
5	CALIFORNIA	798,399	1,682,130	1,930,041	4,410,570
6	COLORADO	124,502	271,691	275,974	672,167
7	CONNECTICUT	169,501	350,394	336,426	856,321
8	DELAWARE	134,832	272,877	291,509	699,218
9	DIST OF COL	149,889	284,249	254,760	688,898
10	FLORIDA	724,874	1,439,786	1,174,076	3,338,736
11	GEORGIA	277,666	607,125	632,228	1,517,019
12	GUAM	0	0	0	0
13	HAWAII	144,487	321,305	329,273	795,065
14	IDAHO	133,465	297,785	288,378	719,628
15	ILLINOIS	239,330	510,415	549,944	1,299,689
16	INDIANA	215,984	443,260	484,370	1,143,614
17	IOWA	247,894	484,736	505,170	1,237,800
18	KANSAS	129,132	280,496	279,276	688,904
19	KENTUCKY	210,333	474,225	433,420	1,117,978
20	LOUISIANA	291,607	648,080	691,339	1,631,026
21	MAINE	154,395	309,454	344,683	808,532
22	MARYLAND	720,783	1,358,420	1,557,758	3,636,961
23	MASSACHUSETTS	244,366	558,220	872,737	1,675,323
24	MICHIGAN	558,485	1,215,350	1,113,456	2,887,291
25	MINNESOTA	518,640	1,069,185	1,066,761	2,654,586
26	MISSISSIPPI	218,090	425,681	461,922	1,105,693
27	MISSOURI	328,590	698,538	724,524	1,751,652
28	MONTANA	109,837	234,936	232,950	577,723
29	NEBRASKA	110,399	232,724	231,196	574,319
30	NEVADA	113,427	262,347	248,005	623,779
31	NEW HAMPSHIRE	106,787	229,804	236,721	573,312
32	NEW JERSEY	335,665	703,746	756,421	1,795,832
33	NEW MEXICO	107,582	233,612	230,694	571,888
34	NEW YORK	307,467	947,557	1,018,957	2,273,981
35	NORTH CAROLINA	225,517	477,883	498,536	1,201,936
36	NORTH DAKOTA	102,271	210,357	213,982	526,610
37	NORTHERN MAR	80,928	172,979	173,358	427,265
38	OHIO	470,360	1,013,735	1,088,427	2,572,522
39	OKLAHOMA	270,902	545,640	522,990	1,339,532
40	OREGON	203,765	436,773	442,960	1,083,498
41	PENNSYLVANIA	313,334	726,693	680,880	1,720,907
42	PUERTO RICO	108,449	215,221	225,532	549,202
43	RHODE ISLAND	98,402	211,159	212,630	522,191
44	SOUTH CAROLINA	291,438	598,602	617,271	1,507,311
45	SOUTH DAKOTA	99,745	215,002	220,739	535,486
46	TENNESSEE	209,708	467,556	427,976	1,105,240
47	TEXAS	603,075	1,305,017	1,199,149	3,107,241
48	UTAH	136,846	286,850	308,774	732,470
49	VERMONT	99,128	217,448	0	316,576
50	VIRGIN ISLANDS	87,578	186,881	175,432	449,891
51	VIRGINIA	243,787	417,510	427,686	1,088,983
52	WASHINGTON	168,162	472,885	352,707	993,754
53	WEST VIRGINIA	118,799	226,137	230,371	575,307
54	WISCONSIN	365,556	779,879	777,400	1,922,835
55	WYOMING	90,611	203,471	202,626	496,708
	TOTAL:	$13,099,998	$27,992,250	$28,219,370	$69,311,618

Source: U.S. Coast Guard

Additional Information for the Record

Import Duties on Yachts and Pleasure Boats

As part of our review of the Wallop-Breaux Trust Fund, we checked the crediting of import duties on yachts and pleasure boats to the Trust Fund.

The current tariff schedule (subpart D, part 6, schedule 6) is essentially divided into two subparts. The first subpart includes duties on "yachts and pleasure boats." The second subpart includes duties on nine other accounts under "pleasure boats not specifically provided for above"; they include parts for yachts and pleasure boats, and canoes, racing shells, and pneumatic craft. We found that revenues from the nine accounts under the second subpart had not been credited to the Trust Fund and asked Treasury officials for an explanation.

In response, an attorney in Treasury's Office of General Counsel prepared a memorandum, dated May 6, 1988, on whether tariffs from the nine accounts should be credited to the Trust Fund. The memorandum concluded that, "while not free from doubt," based on statutory language and tariff schedules available at the time the Trust Fund was established, it appeared that the tariffs on the nine accounts should not be credited to the Turst Fund.

This conclusion flows from the difference in terminology between the previous tariff schedule (that is, the one in effect when the Trust Fund was established) and the current tariff schedule. The previous schedule referred to duties on "yachts and pleasure craft." The items covered by the previous schedule generally correspond only to the items covered by the first subpart of the current schedule.

The tariff schedule was later expanded to include the nine accounts in the second subpart, and now refers to duties on "yachts and pleasure boats." Accordingly, the reference to "yachts and pleasure craft" in the law establishing the Trust Fund seems to apply only those accounts now covered by the first subpart and, therefore, would not apply the nine accounts covered by the second subpart.

U.S. Department
of Transportation
**United States
Coast Guard**

Commandant
United States Coast Guard

Washington, D.C. 20593-0001
Staff Symbol:
Phone:

DEPARTMENT OF TRANSPORTATION
U. S. COAST GUARD

STATEMENT OF REAR ADMIRAL M. E. GILBERT
ON THE BOAT SAFETY ACCOUNT OF THE
AQUATIC RESOURCES TRUST FUND
HOUSE OF REPRESENTATIVES SUBCOMMITTEE
ON COAST GUARD AND NAVIGATION
OF THE COMMITTEE ON MERCHANT MARINE AND FISHERIES
28 APRIL 1988

REAR ADMIRAL MARSHALL EDWARD GILBERT
RESOURCE DIRECTOR/COMPTROLLER

Rear Admiral Marshall E. Gilbert became Resource Director/Comptroller at Coast Guard Headquarters, Washington, DC in March 1988. He was previously Chief of the Office of Boating, Public, and Consumer Affairs, Chief, Office of Research and Development, Coast Guard Headquarters, Washington, DC.

Earlier assignments were: Chief of Staff, Twelfth Coast Guard District from July 1985 - July 1986; Deputy Chief, Office of Command, Control and Communications, at Coast Guard Headquarters from July 1984 to May 1985; Chief, Plans and Policy Division from July 1982 to July 1984; and Chief of Coast Guard Telecommunications from July 1981 to July 1982. Rear Admiral Gilbert was the U. S. representative to the Radiocommunications Subcommittee of the International Maritime Organization and senior technical advisor for the U. S. Delegation to the 1983 World Administrative Radio Conference.

He was Commanding Officer of U. S. Coast Guard Cutter CAPE KNOX, Loran Station Batan in the Philippines, and Commander, Coast Guard Group St. Petersburg, Florida. He also commanded patrol boats during the Coast Guard's initial deployment to Vietnam, in 1965.

Rear Admiral Gilbert received a Bachelor of Science degree from the United States Coast Guard Academy in New London, Conn., in 1958. He earned a Master's degree in communications engineering from George Washington University, Washington, DC in 1973. He also attended the U. S. Naval Post Graduate School, Monterey, Calif., and the U. S. Army War College. Rear Admiral Gilbert's awards include three Meritorious Service Medals, the Bronze Star, three Coast Guard Commendation Medals and the Coast Guard Achievement Medal.

He is a native of Thomaston, Ga. He is married to the former Melinda Ashcraft of Waterford, Conn. They have three children: Pamela Kennedy, Marshall Jr. and Sabrina.

STATEMENT OF
REAR ADMIRAL MARSHALL E. GILBERT
U. S. COAST GUARD
BEFORE
SUBCOMMITTEE ON COAST GUARD AND NAVIGATION
28 APRIL 1988

MR. CHAIRMAN, I AM PLEASED TO APPEAR BEFORE YOUR SUBCOMMITTEE ON BEHALF OF THE COAST GUARD TO SUPPORT REAUTHORIZATION OF EXPENDITURES FROM THE BOAT SAFETY ACCOUNT OF THE AQUATIC RESOURCES TRUST FUND FOR THE WORTHWHILE PROGRAMS THAT BENEFIT RECREATIONAL BOATING SAFETY.

THE COAST GUARD FULLY SUPPORTS REAUTHORIZATION OF EXPENDITURES FROM THE BOAT SAFETY ACCOUNT FOR STATE RECREATIONAL BOATING SAFETY PROGRAMS. THIS FEDERAL PROGRAM GETS AN EXCELLENT RETURN FOR EACH FEDERAL DOLLAR INVESTED IN STATE BOATING SAFETY PROGRAMS. SINCE ASSUMING THE ADDITIONAL RESPONSIBILITIES FOR RECREATIONAL BOATING SAFETY, THE STATES HAVE MADE AN OUTSTANDING CONTRIBUTION TO REDUCING THE FATALITY RATE, NEARING THE GOAL WE SET FOR 1990. BOATING SAFETY EDUCATION PROGRAMS ARE BETTER THAN EVER AND MORE ARE BECOMING AVAILABLE EACH YEAR. FOR EXAMPLE, MANY STATES NOW HAVE BOATING SAFETY EDUCATION CLASSES AVAILABLE IN THEIR PUBLIC SCHOOLS. MUCH REMAINS TO BE DONE, HOWEVER, AND THE PROGRAM REMAINS DEPENDENT ON THE CONTINUED FUNDING OF THE BOAT SAFETY ACCOUNT. AS BOATS GET FASTER, AS NEW TYPES GAIN POPULARITY, AND AS THE TOTAL NUMBER OF BOATS CONTINUES TO INCREASE, IT WILL BE EVER MORE DIFFICULT TO MAINTAIN THE IMPROVED SAFETY RECORD. TO MEET THE INCREASING CHALLENGES, ADEQUATE FUNDING IS A NECESSITY. REAUTHORIZATION OF EXPENDITURES FROM THE

BOAT SAFETY ACCOUNT OF THE AQUATIC RESOURCES TRUST FUND WILL ALLOW NEEDED FUNDING FOR INCREASING AND IMPROVING STATE RECREATIONAL BOATING SAFETY PROGRAMS.

TO HELP THE COAST GUARD RECOVER MORE OF ITS COSTS OF PROVIDING SERVICES TO RECREATIONAL BOATERS, WE ARE PROPOSING TO REVERSE THE STATE/COAST GUARD SHARES OF THE ANNUAL APPROPRIATION FROM THE AQUATIC RESOURCES TRUST FUND. THE STATE SHARE WOULD CHANGE FROM TWO THIRDS ($30 MILLION) TO ONE THIRD ($15 MILLION), AND THE COAST GUARD SHARE FROM ONE THIRD ($15 MILLION) TO TWO THIRDS ($30 MILLION). THIS WOULD BETTER FUND THE MORE THAN $200 MILLION A YEAR THE COAST GUARD SPENDS ON SERVICES TO RECREATIONAL BOATERS. THE ADMINISTRATION FEELS THIS IS A MORE APPROPRIATE SPLIT OF THESE LIMITED FUNDS.

SOME INTERNAL ADJUSTMENTS HAVE BEEN MADE TO OUR STATE AFFAIRS BRANCH TO IMPROVE BOTH OUR ADMINISTRATION OF THE FUNDS AND OUR ASSISTANCE TO THE STATES. THE $600K IN FUNDS FOR ADMINISTRATION, WHICH WE RECEIVED LAST YEAR (2% OF $30M), WERE USED FOR ITEMS WHICH SUPPORT STATE PROGRAMS, SUCH AS, THE COST OF THE NATIONAL BOATING SAFETY COURSE AT YORKTOWN, VIRGINIA, EDUCATION SUPPORT FOR TV/RADIO ANNOUNCEMENTS, PAMPHLETS, FILMS AND OTHER INFORMATION PROVIDED TO THE STATE'S FUNDING OF THE NATIONAL BOATING SAFETY ADVISORY COUNCIL AND OUR DIRECT ADMINISTRATIVE AND STATE LIAISON COST.

WE BELIEVE THAT STATES HAVE USED THE BOATING SAFETY FUNDS TO COMBAT THE MOST PRESSING PROBLEMS UNIQUE TO THEIR JURISDICTION. AS A RESULT OF DISCUSSIONS WITH MEMBERS OF THIS COMMITTEE'S STAFF, BEGINNING WITH FISCAL YEAR 1988, WE EXPANDED THE BUDGET

SUMMARY CATEGORIES TO HIGHLIGHT ADDITIONAL AREAS SPECIFICALLY MENTIONED IN THE LAW. THIS SHOULD ALSO IMPROVE ACCOUNTABILITY AND ENABLE US TO ALERT STATES WHEN WE FEEL THAT ADDITIONAL ATTENTION IS NEEDED IN CERTAIN AREAS.

NATIONAL ASSOCIATION OF STATE
BOATING LAW ADMINISTRATORS

Please reply to:

Statement of

GEORGE W. STEWART, JR.
Director, Government Affairs

NATIONAL ASSOCIATION OF STATE
BOATING LAW ADMINISTRATORS

Before the

COAST GUARD AND NAVIGATION SUBCOMMITTEE

of the

U.S. HOUSE OF REPRESENTATIVES

Re: Boating Safety Trust Fund
For FY '89

Secretariat: The Council of State Governments, Iron Works Pike, P.O. Box 11910, Lexington, KY 40578, (606) 252-2291

Mr. Chairman and Members of the Subcommittee:

I am George Stewart, Director, Government Affairs, National Association of State Boating Law Administrators. Our Association is pleased to provide input into your hearing regarding the State Boating Safety Trust Fund Authorization/ Appropriation.

My testimony today will focus on the Aquatic Resources Trust Fund and more specific the boat safety account of this fund. The boat safety account is derived from the motor boat fuel tax and appropriations are authorized from this account to meet expenditures of the U.S. Coast Guard and the States for recreational boating safety assistance. The Federal Agency administering these funds to the States is the U.S. Coast Guard within the Department of Transportation.

Our Association views with serious concern that the Department of Transportation is only requesting $45 million for FY'89 from the Aquatic Resources Trust Fund. We are further concerned that they are requesting this be divided $30 million to the U.S. Coast Guard and $15 million to the State Boating Safety program. It would seem reasonable that if the Coast Guard needed $30 million to defray their cost to the nations recreational boaters, the Department would support Senate Bill S-2032 and House Bill HR-3918. Both bills raise the authorization of the Boat Safety Account to $60 million with half this amount to be given in grants to the States to run boating safety programs and half to the Coast Guard for similar purposes.

These actions to reduce our State Boating Safety Funds is definitely contradictory to what we hear from the Coast Guard and read in a Coast Guard Roles and Mission Report, (i.e.) States should assume the primary role in boating safety law enforcement, major contributions by the States to the overall reduction in the fatality rate by more than 60% of what it was prior to the passage of the Federal Boat Safety Act of 1971, that Federal funds and the joint efforts with the Coast Guard should result in savings to the Federal Govern-ment rather than inordinate additional cost which would emanate from State curtailment, inaction, or indifference. We are pleased at this assessment of our State Boating Safety Program by those in the U.S. Coast Guard, especially since the waters we operate on are generally "joint jurisdictional" and shows that "Federal assistance to the States has resulted in a willingness on the States part to assume a major share of what is logically and statutorily a JOINT responsibility".

In introducing HR-3918 Congressmen Jones and Davis said in their "Dear Colleague" letter.."This fund is a true user-funded account which requires no monies from the General Fund". Senators Wallop and Breaux, in their "Dear Colleague" letter said "At a time when the fiscal resources of the Federal Government are under a great strain, this program provides an excellent example of user groups stepping forward to help themselves without putting further pressure on scarce general revenues". This is a user fee paid by boaters in the form of tax on motorboat fuel. It is not general tax revenue and what isn't deposited in the Boat Safety Account goes to the Fishery Account, not the General

Fund. With the House and Senate Bills mentioned above introduced, it is obviously difficult to comprehend the Department of Transportation asking for $45 million instead of $60 million.

Mr. Chairman, the States are indeed taking the lead role in boating safety law enforcement. The Federal Boat Safety Funds have given the States credibility and effectiveness in the budgetary competition within State Legislatures. The funding report of the States attached to my remarks will attest to the States financial support of the State Boating Safety Programs. Noteworthy is the States share of total expenditures is 80.7% and Federal 19.3% for the period 1983-1988.

The States have picked up the slack after removal of the Coast Guard Boating Safety Detachment Teams from the state waters, have relieved the Coast Guard of responsibility of issuing Regatta permits in some states, and there are less active duty Coast Guard stations benefiting state boaters in 1987 as compared prior to 1982. We also observe that there are several states and the District of Columbia with no active duty Coast Guard that benefit state boaters.

The States have made great strides in providing well trained Waterway Enforcement personnel with boats and associated equipment to get the job done. Our patrol boats are fully equipped to perform safety patrols and search and rescue. Specialized equipment, such as de-watering pumps, alcohol testing equipment,marine radios, radar, night vision scopes, fathometers, loran, towing equipment, survival suits, rechargeable flashlights, bullet proof personal flotation devices and weapons have been purchased to increase the patrol officers presence on the water and to provide safety services to boaters.Officers operating these boats and specialized equipment attend a Police Training Academy, receive annual refresher training to include first aid, C.P.R., etc., requalify in speed control radar, fast water rescue, boating while intoxicated, attend boating accident investigation seminars and many of our officers have attended the National Boating Safety School in Yorktown, Virginia. These officers have access to computer systems that are tied into the state wide "on line crime system".

Since passage of the State Boat Act of 1971 the States have made major progress in boating safety education. They carry out a boating safety education training program in the schools, through home study courses, selected short courses to special interest groups (i.e.) duck hunters, fishermen, etc. The States have their own boating safety course books that meet the minimum requirements as established by our Association. They print and distribute boat safety literature and provide radio and television spots on drinking and boating, wearing P.F.D.'s, hypothermia, weather, float plans, stay clear of large ships, duck hunting safety and local notices on dangers to navigation. The States provide courtesy motorboat examinations and post boating safety information in the field, usually at marinas, boat dealers and boat access ramps.

In our Associations opinion the States and the U.S. Coast Guard have an excellent Federal-State maritime relationship. Jointly we compliment each other in our boating safety efforts. Our principal differance each year is the funding for our State program. The authorization/appropriation request from the Department of Transportation for FY'89 proposes to reverse the funding ratio on the program so the Coast Guard receives $30 million and the States $15 million is very disturbing to the States. This is especially disheartening since the States, the Industry and the Boating Organizations championed the program in the first place so the Coast Guard would receive part of the funding. This is a user fee paid by boaters to defray the cost of government service that uniquely benefit the recreational boating public. Since the States are taking the lead role in boating safety efforts, we obviously question our user fee being reduced.

In summary, The National Association of State Boating Law Administrators urgently ask the support of this Subcommittee in obtaining authorization and appropriation of $60 million for the Boating Safety Account as provided in Senate Bill S-2032 and House Bill HR-3918. We further support provision in these two bills to provide $30 million each to the States and the U.S. Coast Guard to defray their cost for service to the recreational boater.

Thank You

PAGE ONE

FED/STATE FUND 1983 - 1988

STATE [illegible]

STATE		1983	1984	1985	1986	1987	1988	FEDERAL 1983 - 1988	STATE 1983 - 1988	FED/STATE 1983 - 1988	PERCENT
ALABAMA	Fed	$264,678	$264,978	$285,199	$660,021	$603,553	$0	$2,078,429			19.2%
	State	$1,545,800	$1,542,211	$2,216,989	$1,804,023	$1,622,686	$0		$8,731,709		80.8%
	Total	$1,810,478	$1,807,189	$2,502,188	$2,464,044	$2,226,239	$0			$10,810,138	
ALASKA	Fed	$0	$0	$0	$0	$0	$0	$0			#DIV/0!
	State	$0	$0	$0	$0	$0	$0		$0		#DIV/0!
	Total	$0	$0	$0	$0	$0	$0			$0	
ARIZONA	Fed	$156,294	$169,138	$177,636	$387,272	$344,809	$0	$1,235,149			22.1%
	State	$852,863	$734,106	$831,400	$951,900	$987,200	$0		$4,357,469		77.9%
	Total	$1,009,157	$903,244	$1,009,036	$1,339,172	$1,332,009	$0			$5,592,618	
ARKANSAS	Fed	$226,652	$220,479	$242,495	$473,600	$393,000	$0	$1,556,226			42.6%
	State	$455,000	$342,342	$436,005	$473,600	$393,000	$0		$2,099,947		57.4%
	Total	$681,652	$562,821	$678,500	$947,200	$786,000	$0			$3,656,173	
CALIFORNIA	Fed	$569,664	$907,768	$789,399	$1,682,130	$1,930,041	$0	$5,879,002			12.1%
	State	$9,724,637	$6,911,250	$7,830,000	$8,909,870	$9,333,959	$0		$42,709,716		87.9%
	Total	$10,294,301	$7,819,018	$8,619,399	$10,592,000	$11,264,000	$0			$48,588,718	
COLORADO	Fed	$112,767	$116,021	$124,502	$271,690	$275,974	$0	$900,954			43.9%
	State	$273,462	$207,970	$124,502	$271,690	$275,974	$0		$1,153,598		56.1%
	Total	$386,229	$323,991	$249,004	$543,380	$551,948	$0			$2,054,552	
CONNECTICUT	Fed	$206,149	$146,914	$169,501	$350,394	$336,426	$0	$1,209,384			21.2%
	State	$743,068	$914,657	$830,499	$901,011	$1,114,998	$0		$4,504,233		78.8%
	Total	$949,217	$1,061,571	$1,000,000	$1,251,405	$1,451,424	$0			$5,713,617	
DELAWARE	Fed	$131,059	$124,508	$134,832	$272,877	$291,509	$0	$954,785			22.3%
	State	$604,057	$592,007	$663,600	$638,600	$835,600	$0		$3,333,864		77.7%
	Total	$735,116	$716,565	$798,432	$911,477	$1,127,109	$0			$4,288,649	
DIST. OF COL.	Fed	$153,261	$148,669	$149,889	$284,248	$254,760	$0	$990,827			14.2%
	State	$1,240,229	$1,078,860	$1,170,453	$1,253,577	$1,237,411	$0		$5,980,530		85.8%
	Total	$1,393,490	$1,227,529	$1,320,342	$1,537,825	$1,492,171	$0			$6,971,357	
FLORIDA	Fed	$389,066	$606,831	$724,074	$1,439,786	$1,174,076	$0	$4,334,633			12.6%
	State	$5,404,254	$5,726,184	$6,333,015	$5,817,953	$6,707,583	$0		$29,988,989		87.4%
	Total	$5,793,320	$6,333,015	$7,057,089	$7,257,739	$7,881,659	$0			$34,323,622	
GEORGIA	Fed	$276,434	$256,144	$277,666	$607,125	$632,228	$0	$2,049,597			19.7%
	State	$1,545,589	$1,480,619	$1,606,471	$2,178,876	$1,534,511	$0		$8,346,066		80.3%
	Total	$1,822,023	$1,736,763	$1,884,137	$2,786,001	$2,166,739	$0			$10,395,663	
HAWAII	Fed	$98,946	$113,417	$144,487	$321,305	$329,273	$0	$1,007,428			16.1%
	State	$574,929	$816,002	$1,135,488	$1,236,062	$1,468,461	$0		$5,230,942		83.9%
	Total	$673,875	$929,419	$1,279,975	$1,557,367	$1,797,734	$0			$6,238,370	
IDAHO	Fed	$129,438	$129,954	$133,465	$297,785	$288,378	$0	$979,020			34.7%
	State	$486,375	$350,000	$411,100	$297,785	$295,982	$0		$1,841,242		65.3%
	Total	$615,813	$479,954	$544,565	$595,570	$584,360	$0			$2,820,262	
ILLINOIS	Fed	$230,747	$218,281	$238,330	$510,415	$509,944	$0	$1,707,717			37.1%
	State	$530,374	$459,245	$509,863	$900,055	$569,374	$0		$2,968,911		62.9%
	Total	$761,121	$677,526	$748,193	$1,410,470	$1,079,318	$0			$4,676,628	
INDIANA	Fed	$243,743	$195,645	$215,984	$443,260	$484,370	$0	$1,583,002			25.5%
	State	$800,649	$835,298	$849,813	$907,442	$1,241,357	$0		$4,634,559		74.5%
	Total	$1,044,392	$1,030,943	$1,065,797	$1,350,702	$1,725,727	$0			$6,217,561	
IOWA	Fed	$230,864	$212,783	$247,894	$484,726	$505,178	$0	$1,681,455			21.1%
	State	$988,567	$1,268,088	$1,171,742	$1,469,299	$1,426,004	$0		$6,323,700		78.9%
	Total	$1,219,431	$1,480,871	$1,419,636	$1,954,025	$1,931,182	$0			$8,005,155	
KANSAS	Fed	$125,686	$116,449	$129,132	$280,496	$279,276	$0	$931,039			49.1%
	State	$129,841	$147,337	$129,132	$280,496	$279,276	$0		$966,082		50.9%
	Total	$255,527	$263,786	$258,264	$560,992	$558,552	$0			$1,897,121	
TOTALS	Fed	$3,545,438	$3,947,971	$4,185,285	$8,767,140	$8,672,795	$0	$29,118,619			17.9%
PAGE	State	$25,899,694	$23,466,176	$26,250,072	$28,292,239	$29,323,376	$0		$133,171,557		82.1%
NO. ONE	Total	$29,445,122	$27,254,147	$30,435,357	$37,059,379	$37,996,171	$0			$162,290,176	

FEDERAL FUNDS AUTHORIZED & APPROPRIATED

FY	AUTHORIZED	APPROPRIATED	PERCENT	
1981	$10,000,000	$0	0.0%	
1982	$10,000,000	$0	0.0%	
1983	$15,000,000	$12,500,000	83.3%	
1984	$30,000,000	$13,625,000	45.4%	
1985	$30,000,000	$13,750,000	45.8%	
1986	$30,000,000	$28,710,000	95.7%	**
1987	$30,000,000	$30,000,000	100.0%	
1988	$45,000,000	$21,375,000	47.5%	**
1989	?	?	?	
Total	$200,000,000	$119,960,000	60.0%	

** GRAMM/RUDMAN/HOLLINGS

PAGE TWO			FED/STATE FUND 1983 - 1988			STATE BOATING SAFETY PROGRAM		FEDERAL	STATE	FED/STATE	PERCENT
STATE		$1,983	$1,984	$1,985	$1,986	1987	1988	1983 - 1987	1983 - 1987	1983 - 1987	
KENTUCKY	Fed	$213,914	$184,785	$210,333	$474,225	$433,420	$0	$1,516,677			18.8%
	State	$1,021,904	$1,204,383	$1,617,802	$1,491,025	$1,232,602	$0		$6,567,716		81.2%
	Total	$1,235,818	$1,389,168	$1,828,135	$1,965,250	$1,666,022	$0			$8,084,393	
LOUISIANA	Fed	$389,541	$376,597	$291,607	$648,080	$691,339	$0	$2,397,164			23.6%
	State	$2,637,922	$1,064,517	$981,188	$1,320,859	$1,736,349	$0		$7,740,835		76.4%
	Total	$3,027,463	$1,441,114	$1,272,795	$1,968,939	$2,427,688	$0			$10,137,999	
MAINE	Fed	$149,658	$136,577	$154,395	$309,454	$344,683	$0	$1,094,767			37.7%
	State	$198,712	$289,074	$293,597	$421,968	$609,514	$0		$1,812,865		62.3%
	Total	$348,370	$425,651	$447,992	$731,422	$954,197	$0			$2,907,632	
MARYLAND	Fed	$480,591	$618,923	$720,783	$1,358,420	$1,557,758	$0	$4,736,475			8.8%
	State	$8,164,327	$9,226,717	$9,266,458	$10,784,536	$11,938,808	$0		$49,380,846		91.2%
	Total	$8,644,918	$9,845,640	$9,987,241	$12,142,956	$13,496,566	$0			$54,117,321	
MASSACHUETTS	Fed	$207,715	$235,092	$244,366	$558,220	$872,737	$0	$2,118,130			20.8%
	State	$1,308,107	$1,396,094	$1,167,117	$1,749,052	$2,454,274	$0		$8,074,644		79.2%
	Total	$1,515,822	$1,631,186	$1,411,483	$2,307,272	$3,327,011	$0			$10,192,774	
MICHIGAN	Fed	$639,758	$539,336	$558,485	$1,215,350	$1,113,456	$0	$4,066,385			21.0%
	State	$2,671,596	$2,900,049	$3,624,198	$3,056,155	$3,045,800	$0		$15,297,798		79.0%
	Total	$3,311,354	$3,439,385	$4,182,683	$4,271,505	$4,159,256	$0			$19,364,183	
MINNESOTA	Fed	$380,903	$410,948	$518,640	$1,069,185	$1,066,761	$0	$3,446,437			24.4%
	State	$1,173,780	$2,262,501	$2,286,053	$2,713,648	$2,219,180	$0		$10,655,162		75.6%
	Total	$1,554,683	$2,673,449	$2,804,693	$3,782,833	$3,285,941	$0			$14,101,599	
MISSISSIPPI	Fed	$190,470	$222,383	$218,090	$425,681	$461,922	$0	$1,518,546			17.4%
	State	$1,641,435	$1,357,811	$1,080,397	$1,391,214	$1,756,335	$0		$7,227,192		82.6%
	Total	$1,831,905	$1,580,194	$1,298,487	$1,816,895	$2,218,257	$0			$8,745,738	
MISSOURI	Fed	$298,719	$282,767	$328,390	$698,538	$724,324	$0	$2,332,738			18.6%
	State	$1,444,759	$1,663,665	$1,643,519	$2,595,891	$2,839,338	$0		$10,187,172		81.4%
	Total	$1,743,478	$1,946,432	$1,971,909	$3,294,429	$3,563,662	$0			$12,519,910	
MONTANA	Fed	$98,633	$97,341	$109,837	$230,250	$232,950	$0	$769,011			41.8%
	State	$180,093	$213,258	$213,268	$230,250	$232,950	$0		$1,069,819		58.2%
	Total	$278,726	$310,599	$323,105	$460,500	$465,900	$0			$1,838,830	
NEBRASKA	Fed	$80,811	$97,566	$110,399	$83,000	$69,250	$0	$441,026			50.5%
	State	$80,811	$88,908	$110,399	$83,000	$69,250	$0		$432,368		49.5%
	Total	$161,622	$186,474	$220,798	$166,000	$138,500	$0			$873,394	
NEVADA	Fed	$110,792	$100,972	$113,427	$262,346	$248,005	$0	$835,542			26.2%
	State	$247,931	$292,067	$755,635	$573,020	$485,679	$0		$2,354,332		73.8%
	Total	$358,723	$393,039	$869,062	$835,366	$733,684	$0			$3,189,874	
NEW HAMPSHIRE	Fed	$100,031	$97,379	$106,787	$229,804	$236,721	$0	$770,722			23.1%
	State	$405,082	$418,276	$578,887	$557,502	$609,815	$0		$2,569,562		76.9%
	Total	$505,113	$515,655	$685,674	$787,306	$846,536	$0			$3,340,284	
NEW JERSEY	Fed	$288,743	$243,699	$335,665	$703,745	$756,421	$0	$2,328,273			12.6%
	State	$1,900,120	$2,801,040	$3,305,765	$4,207,387	$3,976,144	$0		$16,190,456		87.4%
	Total	$2,188,863	$3,044,739	$3,641,430	$4,911,132	$4,732,565	$0			$18,518,729	
NEW MEXICO	Fed	$102,166	$99,395	$107,582	$233,612	$0	$0	$542,755			37.5%
	State	$229,000	$192,781	$221,694	$260,000	$0	$0		$903,475		62.5%
	Total	$331,166	$292,176	$329,276	$493,612	$0	$0			$1,446,230	
NEW YORK	Fed	$703,412	$258,749	$307,467	$947,557	$1,018,957	$0	$3,236,142			19.3%
	State	$742,514	$1,872,883	$1,100,000	$4,446,600	$5,360,000	$0		$13,521,997		80.7%
	Total	$1,445,926	$2,131,632	$1,407,467	$5,394,157	$6,378,957	$0			$16,758,139	
NORTH CAROLINA	Fed	$225,697	$215,651	$225,517	$477,482	$498,536	$0	$1,642,883			25.3%
	State	$983,981	$850,741	$855,000	$969,923	$1,190,000	$0		$4,849,645		74.7%
	Total	$1,209,678	$1,066,392	$1,080,517	$1,447,405	$1,688,536	$0			$6,492,528	
TOTALS	Fed	$4,461,550	$4,217,760	$4,661,970	$9,925,309	$10,327,440	$0	$33,794,673			17.5%
PAGE	State	$25,032,074	$28,094,765	$29,100,977	$36,852,030	$39,756,038	$0		$158,835,684		82.5%
NO. TWO	Total	$29,493,624	$32,312,525	$33,762,947	$46,777,339	$50,083,478	$0			$192,629,957	

PAGE THREE		FED/STATE FUND 1983 - 1988			STATE BOATING SAFETY PROGRAM			FEDERAL	STATE	FED/STATE	PERCENT
		$1,983	$1,984	$1,985	$1,986	1987	1988	1983 - 1987	1983 - 1987	1983 - 1987	
NORTH DAKOTA	Fed	$97,884	$94,332	$102,271	$210,357	$213,982	$0	$718,826			51.4%
	State	$101,151	$51,460	$102,271	$210,357	$213,982	$0		$679,221		48.6%
	Total	$199,035	$145,792	$204,542	$420,714	$427,964	$0			$1,398,047	
OHIO	Fed	$390,762	$263,138	$470,360	$1,013,735	$1,088,426	$0	$3,226,421			
	State	$755,368	$3,706,872	$3,538,440	$5,218,625	$4,163,145	$0		$17,382,450		84.3%
	Total	$1,146,130	$3,970,010	$4,008,800	$6,232,360	$5,251,571	$0			$20,608,871	
OKLAHOMA	Fed	$261,897	$256,743	$270,902	$545,640	$522,990	$0	$1,858,172			20.0%
	State	$1,697,000	$1,504,331	$1,487,665	$1,378,265	$1,378,265	$0		$7,445,526		80.0%
	Total	$1,958,897	$1,761,074	$1,758,567	$1,923,905	$1,901,255	$0			$9,303,698	
OREGON	Fed	$211,781	$211,311	$203,765	$436,773	$442,960	$0	$1,506,590			21.4%
	State	$1,305,562	$707,001	$1,119,637	$1,220,115	$1,182,552	$0		$5,534,867		78.6%
	Total	$1,517,343	$918,312	$1,323,402	$1,656,888	$1,625,512	$0			$7,041,457	
PENNSYLVANIA	Fed	$318,267	$287,107	$313,334	$726,693	$680,880	$0	$2,326,281			16.2%
	State	$2,138,113	$2,334,510	$2,370,751	$2,546,307	$2,634,120	$0		$12,023,801		83.8%
	Total	$2,456,380	$2,621,617	$2,684,085	$3,273,000	$3,315,000	$0			$14,350,082	
RHODE ISLAND	Fed	$103,661	$91,593	$98,402	$211,160	$212,628	$0	$717,444			49.1%
	State	$121,595	$98,951	$98,402	$211,160	$212,628	$0		$742,736		50.9%
	Total	$225,256	$190,544	$196,804	$422,320	$425,256	$0			$1,460,180	
SOUTH CAROLINA	Fed	$188,162	$230,871	$291,438	$598,602	$617,271	$0	$1,926,344			19.8%
	State	$1,150,814	$1,781,935	$1,626,560	$1,626,560	$1,626,560	$0		$7,812,429		80.2%
	Total	$1,338,976	$2,012,806	$1,917,998	$2,225,162	$2,243,831	$0			$9,738,773	
SOUTH DAKOTA	Fed	$100,357	$92,105	$99,745	$215,001	$48,074	$0	$555,282			38.6%
	State	$100,357	$123,341	$99,745	$512,002	$48,074	$0		$883,519		61.4%
	Total	$200,714	$215,446	$199,490	$727,003	$96,148	$0			$1,438,801	
TENNESSEE	Fed	$223,545	$197,099	$209,708	$467,566	$427,926	$0	$1,525,844			28.9%
	State	$695,314	$598,854	$812,027	$904,844	$751,979	$0		$3,763,018		71.1%
	Total	$918,859	$795,953	$1,021,735	$1,372,410	$1,179,905	$0			$5,288,862	
TEXAS	Fed	$637,155	$584,651	$603,075	$1,305,017	$1,199,149	$0	$4,329,047			20.8%
	State	$4,306,081	$3,840,723	$603,075	$3,794,983	$3,900,851	$0		$16,445,713		79.2%
	Total	$4,943,236	$4,425,374	$1,206,150	$5,100,000	$5,100,000	$0			$20,774,760	
UTAH	Fed	$120,543	$122,020	$136,847	$286,850	$308,774	$0	$975,034			24.8%
	State	$467,617	$539,829	$514,378	$582,487	$852,172	$0		$2,956,483		75.2%
	Total	$588,160	$661,849	$651,225	$869,337	$1,160,946	$0			$3,931,517	
VERMONT	Fed	$94,162	$91,026	$99,128	$217,448	$0	$0	$501,764			49.4%
	State	$94,773	$73,182	$108,549	$238,292	$0	$0		$514,796		50.6%
	Total	$188,935	$164,208	$207,677	$455,740	$0	$0			$1,016,560	
VIRGINIA	Fed	$163,450	$173,448	$243,787	$417,510	$427,686	$0	$1,425,881			24.7%
	State	$653,087	$1,510,484	$688,730	$738,605	$747,330	$0		$4,338,236		75.3%
	Total	$816,537	$1,683,932	$932,517	$1,156,115	$1,175,016	$0			$5,764,117	
WASHINGTON	Fed	$0	$170,226	$168,162	$472,885	$352,707	$0	$1,163,980			40.4%
	State	$0	$363,039	$435,292	$475,285	$442,204	$0		$1,715,820		59.6%
	Total	$0	$533,265	$603,454	$948,170	$794,911	$0			$2,879,800	
WEST VIRGINIA	Fed	$111,110	$104,753	$118,799	$148,023	$230,371	$0	$713,056			41.6%
	State	$172,095	$259,937	$185,000	$148,023	$235,000	$0		$1,000,055		58.4%
	Total	$283,205	$364,690	$303,799	$296,046	$465,371	$0			$1,713,111	
WISCONSIN	Fed	$344,414	$335,410	$365,556	$779,879	$777,400	$0	$2,602,659			30.6%
	State	$1,310,682	$1,310,682	$365,556	$1,438,747	$1,468,213	$0		$5,893,880		69.4%
	Total	$1,655,096	$1,646,092	$731,112	$2,218,626	$2,245,613	$0			$8,496,539	
WYOMING	Fed	$44,351	$50,082	$81,174	$120,000	$90,000	$0	$385,607			50.0%
	State	$44,351	$50,082	$81,175	$120,000	$90,000	$0		$385,608		50.0%
	Total	$88,702	$100,164	$162,349	$240,000	$180,000	$0			$771,215	
TOTALS	Fed	$3,411,501	$3,355,915	$3,876,453	$8,173,139	$7,641,224	$0	$26,458,232			22.8%
PAGE	State	$15,113,960	$18,855,213	$14,237,253	$21,364,657	$19,947,575	$0		$89,518,158		77.2%
NO. THREE	Total	$18,525,461	$22,211,128	$18,113,706	$29,537,796	$27,588,799	$0			$115,976,390	

PAGE FOUR		FED/STATE FUND 1983 - 1988			STATE BOATING SAFETY PROGRAM			FEDERAL	STATE	FED/STATE	PERCENT
TERRITORIES		$1,983	$1,984	$1,985	$1,986	1987	1988	1983 - 1987	1983 - 1987	1983 - 1987	
PUERTO RICO	Fed	$102,069	$93,500	$108,449	$148,855	$225,532	$0	$678,405			33.5%
	State	$183,159	$174,210	$160,445	$148,855	$682,371	$0		$1,349,040		66.5%
	Total	$285,228	$267,710	$268,894	$297,710	$907,903	$0			$2,027,445	
GUAM	Fed	$0	$0	$0	$0	$0	$0	$0			#DIV/0!
	State	$0	$0	$0	$0	$0	$0		$0		#DIV/0!
	Total	$0	$0	$0	$0	$0	$0			$0	
N. MARIANAS	Fed	$29,604	$73,348	$80,928	$172,979	$172,727	$0	$529,586			100.0%
	State	$0	$0	$0	$0	$0	$0		$0		0.0%
	Total	$29,604	$73,348	$80,928	$172,979	$172,727	$0			$529,586	
SAMOA	Fed	$47,444	$73,335	$80,920	$172,868	$172,893	$0	$547,460			100.0%
	State	$0	$0	$0	$0	$0	$0		$0		0.0%
	Total	$47,444	$73,335	$80,920	$172,868	$172,893	$0			$547,460	
VIRGIN ISLANDS	Fed	$34,493	$76,632	$87,578	$186,881	$175,432	$0	$561,016			59.1%
	State	$34,494	$86,200	$0	$98,797	$168,820	$0		$388,311		40.9%
	Total	$68,987	$162,832	$87,578	$285,678	$344,252	$0			$949,327	
TOTALS	Fed	$213,610	$316,815	$357,875	$681,583	$746,584	$0	$2,316,467			57.1%
PAGE	State	$217,653	$260,410	$160,445	$247,652	$851,191	$0		$1,737,351		42.9%
NO. FOUR	Total	$431,263	$577,225	$518,320	$929,235	$1,597,775	$0			$4,053,818	

SUMMARY

		FED/STATE FUND 1983 - 1988			STATE BOATING SAFETY PROGRAM			FEDERAL	STATE	FED/STATE	PERCENT
		$1,983	$1,984	$1,985	$1,986	1987	1988	1983 - 1987	1983 - 1987	1983 - 1987	
TOTALS	Fed	$3,545,428	$3,947,971	$4,185,285	$8,767,140	$8,672,795	$0	$29,118,619			17.9%
PAGE	State	$25,899,694	$23,406,176	$26,250,072	$28,292,239	$29,323,376	$0		$133,171,557		82.1%
ONE	Total	$29,445,122	$27,354,147	$30,435,357	$37,059,379	$37,996,171	$0			$162,290,176	
TOTALS	Fed	$4,661,554	$4,217,760	$4,661,970	$9,925,349	$10,327,440	$0	$33,794,073			17.5%
PAGE	State	$25,032,074	$28,094,765	$29,100,977	$36,852,030	$39,756,038	$0		$158,835,884		82.5%
TWO	Total	$29,693,628	$32,312,525	$33,762,947	$46,777,379	$50,083,478	$0			$192,629,957	
TOTALS	Fed	$3,411,501	$3,355,915	$3,876,453	$8,173,139	$7,641,224	$0	$26,458,232			22.8%
PAGE	State	$15,113,960	$18,855,213	$14,237,253	$21,364,657	$19,947,075	$0		$89,518,158		77.2%
THREE	Total	$18,525,461	$22,211,128	$18,113,706	$29,537,796	$27,588,299	$0			$115,976,390	
TOTALS	Fed	$213,610	$316,815	$357,875	$681,583	$746,584	$0	$2,316,467			57.1%
PAGE	State	$217,653	$260,410	$160,445	$247,652	$851,191	$0		$1,737,351		42.9%
FOUR	Total	$431,263	$577,225	$518,320	$929,235	$1,597,775	$0			$4,053,818	
GRAND	FED	$11,832,093	$11,838,461	$13,081,583	$27,547,211	$27,388,043	$0	$91,687,391			19.3%
TOTALS	STATE	$66,263,381	$70,616,564	$69,748,747	$86,756,578	$89,877,680	$0		$383,262,950		80.7%
FEDERAL/STATE	TOTAL	$78,095,474	$82,455,025	$82,830,330	$114,303,789	$117,265,723	$0			$474,950,341	

TESTIMONY BY DERRICK CRANDALL, PRESIDENT OF THE AMERICAN LEAGUE OF ANGLERS AND BOATERS, BEFORE THE SUBCOMMITTEE ON COAST GUARD AND NAVIGATION, COMMITTEE ON MERCHANT MARINE AND FISHERIES, U.S. HOUSE OF REPRESENTATIVES ON H.R. 3918, AMENDMENTS TO THE AQUATIC RESOURCES TRUST FUND, APRIL 28, 1988.

Thank you, Chairman Hutto and distinguished Members, for the opportunity to appear to share our views on one of the most important pieces of recreation and resource conservation legislation in several decades, the 1984 creation of the Aquatic Resources Trust Fund. Passage of the legislation creating the Fund was the result of strong, bi-partisan support in the Congress and a strong alliance among the nation's most important recreational fishing and boating advocacy organizations. It is my privilege to appear before you as the President of this unusual and strong coalition, the American League of Anglers and Boaters.

While the specific purposes and activities of the ALAB members vary, each shares a commitment to the philosophical underpinnings of the Aquatic Resources Trust Fund: the nation's tens of millions of anglers and boaters are willing to pay for programs which contribute to the safety and enjoyability of their pursuits through special taxes and fees, providing those fees and taxes are used wisely for resource management, safety education and enforcement and improved access to public waters. This shared commitment led to the creation of ALAB in 1984 as a formalized and on-going version of the "Coalition for the Expansion of D-J," the group which brought about the Aquatic Resources Trust Fund's creation.

Since the creation of the Fund, ALAB has been vigorous in its championship and defense of the program. ALAB members led efforts to block three proposed raids of the trust fund since 1985, and have united in an effort to reauthorize and refine the fund.

Our position is based upon a careful analysis of boater and angler needs, documented in a volume submitted by ALAB for the use of this body. I note the special assistance of the International Association of Fish and Wildlife Agencies on this project. The united position of ALAB members is embodied in the legislation introduced by Chairman Walter Jones, with the assistance and strong support of Representative Bob Davis, which is the subject of this hearing, H.R.3918.

The members of the American League of Anglers and Boaters ask your help in the swift enactment of legislation which:

- amends the original authorization limitation on the boating safety account of the trust fund. We support an authorization of $60,000,000 per annum for this account. This higher limit reflects the substantial increase in federal motorboat fuel taxes credited to the Fund as well as expanded needs for active state boating safety programs. We support the provisions of H.R. 3918 regarding the distribution of available funds among the states and the U.S. Coast Guard; specifically, those provisions allow the Coast Guard to expend monies equal to those provided as matching grants to the states for boating safety programs.

- authorizes the expenditure of funds from the boating safety account for ten fiscal years; and
- specifically provides that contributions of funds, real property, materials and services by private interests can be utilized by states to match monies available through the Sportfish Restoration Account of the fund.

The unified ALAB position goes beyond those provisions described above. We endorse the retention of the provision requiring that states expend at least 10% of the monies available to them under the Sportfish Restoration Account to improve access to public waters for boaters, as well as the authorization to use funds for this account to conduct Aquatic Resources Education Programs. We also ask the Congress' help in assuring that a portion of the monies available to the Coast Guard and the Department of the Interior for administration of the fund be utilized to conduct a regular survey of boating activity and boater needs, to complement the National Hunting and Fishing Survey. We further believe that this survey should be done both efficiently and in such a manner that credible information on federal and state motorboat gasoline excise tax data on a state-by-state basis would be made available.

This is especially important because state fuel tax receipts attributable to boating are approximately twice the amount collected in federal tax.

We further support periodic national gatherings of angling, boating and appropriate government representatives to discuss long-range objectives of the Aquatic Resources Trust Fund, funded in part by monies made available for administration of the program.

This ALAB position has been specifically endorsed and adopted by the following organizations:

American Fisheries Society
American Fishing Tackle Manufacturers Association
American Recreation Coalition
Atlantic Salmon Federation
Atlantic States Marine Fisheries Commission
Bass Anglers Sportsman Society
Boat Owners Association of the United States
Boating Trades Association of Texas
California Trout
Federation of Fly Fishers
Fish America Foundation
Fred Arbogast Company, Inc.
Great Lakes Sport Fishing Club of Milwaukee
Gulf States Marine Fisheries Commission
International Association of Fish and Wildlife Agencies
Izaak Walton League of America
Mercury Marine Division, Brunswick Corporation
Muskies, Inc.
National Association of State Boating Law Administrators
National Boating Federation
National Coalition for Marine Conservation
National Marine Manufacturers Association
National Wildlife Federation
Outboard Marine Corporation
Pacific Marine Fisheries Commission
Restoration of Atlantic Salmon in America, Inc.
River City Anglers
Robert J. Goldstein and Associates

South Carolina Anglers, Inc.
Sport Fishing Institute
States Organization for Boating Access
Theodore Gordon Flyfishers, Inc.
Trout Unlimited
Zebco Division, Brunswick Corporation

Mr. Chairman, we certainly appreciate the interest you have in assuring the wise investment of the boater- and angler-paid taxes which fuel the Aquatic Resources Trust Fund. We especially appreciate your concern about the difficulties encountered in providing the authorized level of funding for state boating safety programs. We are optimistic that full funding will be provided for these important programs during FY89, thanks in part to your own efforts. Should funding difficulties continue, however, we will be anxious to work with you to overcome this problem legislatively during the 101st Congress.

Thank you for your interest.

Derrick A. Crandall
President
American League of Boaters and Anglers
c/o American Recreation Coalition
1331 Pennsylvania Avenue, NW, #726
Washington, D. C. 20004
(202) 662-7420

Statement of

MICHAEL SCIULLA, VICE PRESIDENT

BOAT OWNERS ASSOCIATION OF THE UNITED STATES
BOAT/U.S.

Washington National Headquarters
880 So. Pickett Street, Alexandria, Virginia

Before the

COAST GUARD AND NAVIGATION SUBCOMMITTEE
of the
MERCHANT MARINE AND FISHERIES COMMITTEE

U.S. HOUSE OF REPRESENTATIVES

Re: Boating Safety Account Reauthorization

April 26, 1988

Mr. Chairman and Members of the Subcommittee:

I am Michael Sciulla, Vice President of Boat Owners Association of The United States. With more than a quarter million members from all 50 states, this Association is the largest national organization of boat owners in the country. We appreciate the invitation to appear before this panel and wish to thank you for the opportunity to express our concerns.

Nearly 15 million boat owners in this country and 70 million citizens who went boating benefited from the boating safety efforts of the states and the U.S. Coast Guard last year, Mr. Chairman. This Subcommittee has played the lead role in Congress over the past two decades in fostering boating safety legislation and can take much credit for the dramatic strides made since enactment of the Federal Boat Safety Act of 1971. The fatality rate has dropped nearly 70 percent - from a high of 20.2 deaths per 100,000 boats in 1971 to 6.5 per 100,000 boats in 1986.

This has been accomplished, in part, because Congress long ago recognized that any success in improving boating safety was predicated on encouraging the states to play an active role on our nation's waterways, much of which is under federal jurisdiction.

To encourage state participation, Congress appropriated a small amount of money during the mid and late 1970's from general revenues. The states developed boating safety programs, hired manpower and purchased equipment. This was based on the understanding this would supplement the Coast Guard's efforts.

However, since 1980 the U.S. Coast Guard has undertaken a major change in priorities and its boating safety program has been cut significantly. From a high of 575 billets in 1980 dedicated to boating safety, there are probably no more than a handful remaining today.

Now, instead of acting as a supplement to the Coast Guard, the states are being asked to take the lead in all facets of boating safety including boating education, law enforcement, training, and public awareness.

To help the states undertake these expanded efforts, the Congress in 1980 established a Boating Safety Trust Fund which derives its revenues from the nine cents per gallon federal excise tax on fuel used in motorboats. As the taxes attributable to motorists go to the highway trust fund for the building and repair of highways, the federal fuel taxes paid by boaters goes to the states to improve boating and encourage safety on our waterways.

This program has proven singularly effective in encouraging the states to devote scarce resources to boating safety. In fact, for every federal trust fund dollar appropriated last year, the states spent four times as much.

In addition, the Coast Guard has directly benefited from the 1984 amendments to the Boating Safety Trust Fund. The Coast Guard has received over $70 million during the past four fiscal years from the trust fund for its boating safety efforts.

This compact between the states and the federal government is threatened, however, by continued Administration attempts to cut state allocations in half as well as Congressional budget constraints which treat these trust fund dollars as if they were general revenue dollars. Last year, trust fund appropriations were cut nearly one-third from $30 million authorized to $21 million.

We could at least understand the rationale for doing this if there were budget deficit savings to be realized. But, no such savings accrue, as any unappropriated amounts from the Boating Safety Account are automatically transferred to the Sportfishing Account of the Wallop/Breaux Trust Fund where they are spent by state fishing agencies.

Mr. Chairman, the authorization to spend money from the Boating Safety Account expires this year. We applaud your decision to join the chairman of the full Merchant Marine Committee, Mr. Jones of North Carolina and the ranking member, Mr. Davis of Michigan, in cosponsoring H.R. 3918.

In addition to reauthorizing the account, this bill makes two significant changes which we heartily endorse.

It increases the authorization level for the Boating Safety Account from $45 to $60 million as was recommended by this Subcommittee in FY 1987 and 1988. The funds for this increased authorization level are derived directly from an increase in the amount of fuel taxes attributable to boats with motors as reported by the Treasury Department in June, 1986. However, this $60 million cap should be adjusted upwards if it is found that boat fuel tax and import duty revenues have increased.

In addition to doubling the Coast Guard's funding level, H.R. 3918 also contains a triggering provision which directs that the entire Boating Safety Account authorization be divided equally between the Coast Guard and the states. We hope that this provision provides the necessary incentive to ensure that the states receive their rightful share of the authorized amount.

Mr. Chairman, we urge you to make every effort to see that the states receive their full authorization. Full funding for the states is absolutely necessary just to keep pace with the ever-growing popularity of recreational boating. We can not afford to become complacent. As you well know, Florida's waterways are becomming increasingly congested. However, you may be unaware that even though the national boating fatality rate continues to drop, Florida's fatality rate doubled last year from 50 to 102 deaths.

Now, assuming that the states actually receive the amounts authorized, we believe there are three important changes which should be made to Title 46 U.S.C. Sec. 13103.

First, we do not believe that boating safety is served if states are allowed to take federal trust fund monies, substitute these funds for state dollars, and reduce state expenditures accordingly. Consequently, a strict "maintenance of effort" provision should be included in the law which ensures that federal trust fund monies augment, not replace, state funding. The same restraints should also be applied to the Coast Guard, which has used the money it has received to offset, not augment, general revenue funding for boating safety purposes.

Second, a provision to ensure equity among the states should be added whereby any one state may not receive more than 5 percent of the total funds appropriated or available for allocation in any fiscal year. This provision was originally a part of the Federal Boat Safety Act of 1971, but was inadvertantly omitted when the Act was amended in 1980 and 1984.

Third, pursuant to P.L. 99-640, the Coast Guard was directed to spend from one to two percent of the Boating Safety Account appropriations on enhancing the administration of the program. Since this law was enacted, the Coast Guard has failed to increase the two billets assigned to administer this program. We urge you to direct the Coast Guard to add at least two new administrative billets, so that the public has a more complete idea of how these funds are expended, and the states have more comprehensive guidance on spending priorities and program reporting.

Finally, without a more accurate and comprehensive understanding of what is taking place on our waterways, it will be difficult to significantly improve boating safety further. We suffer today from a total lack of up-to-date statistics on recreational boating. The Coast Guard's last nationwide boating survey, "Recreational Boating in the Continental United States in 1973 and 1976", was completed over a decade ago. Since then it is estimated that the number of boats on our waterways has increased by one-third.

To correct this deficiency, the Coast Guard should be directed to spend a portion of the funds authorized for program administration to contract out a new study of recreational boating.

On another subject, Mr. Chairman, we are alarmed that among the Coast Guard's list of closings and reductions announced last January, a decision was made to eliminate all three of the Coast Guard's "regional boating standards units". This is projected to cut 25 billets and $1,058,000 from the Coast Guard's budget. These units are located in Miami, Florida, Long Beach, California and St. Louis, Missouri.

We want you to know that we strongly oppose this move and urge you to help reverse this decision.

These three regional boating standards units are the teeth of the

Coast Guard's national boating standards program. These units are composed of inspectors who visit boat manufacturing plants to ensure that boats are built in compliance with Coast Guard safety standards. The elimination of these units will send an alarming signal that the Coast Guard is washing its hands of one of its more important safety functions.

Frankly, we do not understand how the elimination of these units is justified, as the Coast Guard received $21 million from the Boating Safety Trust Fund in FY '88. Since it is estimated that the Coast Guard spends considerably less than this amount directly on its entire recreational boating safety program, we believe these dedicated funds should be used to keep these units intact.

Apparently, the Coast Guard wants to turn responsibility for factory visits over to its marine safety offices (MSO's). However, it does not appear that these MSO's, which are currently responsible for inspecting large commercial ships, will receive any added money or personnel to undertake this new task.

Without added resources these MSO's, which already have suffered significant budget cuts, will be hard-pressed to inspect the majority of boat factories which are not located near major ports.

On behalf of our Association members, I would like to again thank you for your past efforts and for this opportunity to express our concerns. I will be happy to reply to any questions.

International Association of Fish and Wildlife Agencies
(Organized July 2, 1902)
444 North Capitol St., NW, Suite 534, Washington, DC 20001 (202) 624-7890
Jack H. Berryman, Executive Vice President
I.A.F.W.A.

STATEMENT OF THE INTERNATIONAL ASSOCIATION OF FISH AND WILDLIFE AGENCIES CONCERNING THE BOATING SAFETY ACCOUNT OF THE AQUATIC RESOURCES TRUST FUND BEFORE THE HOUSE COMMITTEE ON MERCHANT MARINE AND FISHERIES SUBCOMMITTEE ON COAST GUARD AND NAVIGATION

April 26, 1988
by
Mark J. Reeff, Resource Specialist

The International Association of Fish and Wildlife Agencies, founded in 1902, is a quasi-governmental organization of public agencies charge with the protection and management of North America's fish and wildlife resources. The Association's governmental members include the fish and wildlife agencies of the states, provinces, and federal governments of the U.S., Canada, and Mexico. All 50 states are members. The Association has been a key organization in the promotion of the principles of sound resource management and strengthening of federal, state and private cooperation in protecting and managing fish and wildlife in their habitats in the public interest.

The Association's 50 State Members share in the very successful Aquatic Resources Trust Fund, more popularly known as Wallop-Breaux. This user-fee trust is funded by a manufacturers' excise tax on fishing and related equipment, boats, import duties and that part of the federal fuel tax which is attributed to boaters in this Nation. The foundation of the Act is the highly successful and important 32-year-old Federal Aid in Sport Fish Restoration Act (Dingell-Johnson) which was amended to the present expanded version with the passage of the Wallop-Breaux Amendments in 1984. Although the original Dingell-Johnson Act taxed fewer items, it proved to be the mainstay for state fishery programs, guaranteeing an automatic annual appropriation of receipts to the 50 states, with the exception of a minor amount reserved for administration of the Act.

In 1987 the Association undertook a major study of the states' implementation of Wallop-Breaux. The importance of Wallop-Breaux funds for state boating and fishing programs was evidenced by the results gathered from that study.

The states' budget for boating safety programs in 1988 was $42 million. This investment not only points out the need for state boating safety programs, but also indicates the high level of commitment by states to ensure the proper and safe operation by nearly 70 million boaters. The Federal Government was intended and should be a partner in these safety programs.

The states have also made major commitments to provide boating access, obligating $217.6 million in state funds for boating access between FY 1980 and FY 1986. This is a response to the enormous popularity and numbers of recreational boaters who invest $16.5 billion to pursue boating.

The amendment in 1984 was a logical marriage of boating and fishing interests, since in excess of 80 percent of all boats are used for fishing to at least some extent. The 1984 amendment authorized an annual appropriation of $30 million for a boating safety and access grant program to the states and $15 million for monies to the U.S. Coast Guard for services rendered to recreational boaters. The 1984 amendment also provided that monies for sport fish restoration would continue as an automatic appropriation and that any unappropriated monies from the boating portion of the Act would automatically be appropriated for sport fish restoration.

The Association strongly supports this year's reauthorization of the Act which will provide $60 million to boating programs to be divided equally between the boating grants program and the U.S. Coast Guard. This Association, in conjunction with other members of the American League of Anglers and Boaters, support this equitable division of the funds.

The Association is concerned with the boating account. Thirty-nine of our State Members administer boating programs and all members receive sport fish restoration monies.

The boating program funding has been inadequate and variable. We urge the Subcommittee, in behalf of our boating agencies, to authorize the boating monies at the $60 million level. The International Association also urges the Subcommittee to direct the Coast Guard to provide services to recreational boaters through their share of these funds. This is appropriate, given the fact that funds in the Account are paid by the beneficiaries and eventual users.

The agreement for this reauthorization enjoys the full endorsement of this Association's State Members, the fishing tackle manufacturers and the boating interests. All have joined and are committed to the continuing success of this already successful legislation. It has been suggested that the $60 million level is inadequate and needs to be increased. This would violate the agreement reached by the American League of Anglers and Boaters' diverse coalition. Based on our survey of all states' boating programs, this Association, at this time, cannot document the need to raise the amount during this reauthorization.

National Marine Manufacturers Association
2550 M St., N.W. - Suite 425
Washington, DC 20037
Ron Stone, Director of Government Relations
(202) 296-4588

STATEMENT OF RON STONE, DIRECTOR
NMMA GOVERNMENT RELATIONS DEPARTMENT
FOR U.S. HOUSE COAST GUARD AND NAVIGATION
SUBCOMMITTEE HEARING ON THE BOATING SAFETY
ACCOUNT OF THE WALLOP-BREAUX TRUST FUND
April 26, 1988

NMMA strongly supports H.R. 3918 for reauthorization of the Boating Safety Account of the Wallop-Breaux Trust Fund. Access to the Boating Safety Account, consisting exclusively of motorboat fuel tax revenues, has enabled the States to make tremendous strides in improving recreational boating safety. We defer to testimony and supporting data by the National Association of State Boating Law Administrators which proves how the states have optimized use of federal aid.

The Wallop-Breaux Fund is a singular example of what can be accomplished by a user pay approach. It is revenue neutral and makes no demands on general revenues. It has helped sustain the States and the Coast Guard in their boating safety efforts at a time when other programs which are dependent upon general revenues have suffered serious reverses as a result of the federal deficit and cuts in spending.

NMMA is one of the architects of the agreement between boating and sport fishing interest groups for a more equitable distribution of motorboat fuel tax accruing to the Wallop-Breaux Fund, which is stated in Section 1(a)(2) of this legislation. In view of the fact that motorboat fuel tax brings in more revenues than originally estimated, which has been formally acknowledged by the Treasury Department to Congress, we believe it to be equitable that the ceiling on the Boating Safety Account be raised from $45 million to $60 million commencing with Fiscal Year 1989, and that the increased Account be divided 50/50 between federal assistance for state boating safety programs and support for the Coast Guard's recreational boating safety services.

Frankly, we are disappointed with the provision in existing law that monies authorized but not appropriated in the Boating Safety Account in any given year automatically roll over to the Sport Fish Restoration Account. It is not working as we hoped. The original intent of the roll over was to induce appropriating the full level of authorized funding in the Boating Safety Account and, hopefully, to overcome the uncertainties of the annual appropriations process. It was never intended as a windfall for the Sport Fish Restoration Account.

We ask that the law be amended, as set forth in Section 2(b)(2) of the bill, to provide another mechanism for triggering appropriations to the full level of authorized funding. That is, that the Coast Guard shall receive no more in any given year than that which is appropriated for state boating safety assistance. It may be that this approach won't produce the desired effect either. Unfortunately, as we have already seen, ceilings on the U.S. Transportation Department budget (the so-called function 400) and on discretionary spending (the so-called 302 (b)), can easily frustrate the best intentions of the authorizing committees. We are willing to give the linkage to Coast Guard funding a trial period, but if it too fails, then let the record show that NMMA is in favor of amending the bill to shorten the reauthorization period from ten years to five years in order that we may readdress the problems with full funding of the Boating Safety Account.

We believe that the nation's boaters whose fuel tax contributions make up the Boating Safety Account are entitled to a full public accounting of how their monies are spent by the States and the Coast Guard. Presently, the reporting is done in generalities and is not published for public consumption. It is not enough to report that "x" amount of dollars was obligated or spent on boating safety law enforcement, education or any of the other fundable elements of a boating safety program. Boaters deserve to know exactly what they are getting for their money - how many new patrol boats, how many more marine law enforcement officers, how many new boat ramps, etc. This does not have to be written into the law. At the least, there should be language in the Committee Report directing the Coast Guard to publish a comprehensive annual report identifying obligations or spending in each of the eight categories listed as eligible for funding under the Boating Safety Account. Too, the Coast Guard should account for how it is spending its share of the Boating Safety Account including the one to two percent administrative expense money given it out of the States' share in the Coast Guard Authorization Act of 1986.

Three years ago, NMMA testified before this esteemed Subcommittee in favor of terminating use of the Boating Safety Account for public access. We were motivated by the Coast Guard's obvious distaste for administering allocations for projects which it judges to be outside the realm of marine safety. The Coast Guard's great reluctance at being involved in public access funding has not lessened with years of administrative responsibility. If anything, it has sharpened.

Last October, the Coast Guard announced that henceforth it would insist that States applying for public access assistance from the Boating Safety Account satisfy Coast Guard guidelines on precisely how each project serves a boating safety purpose. Further, Coast Guard instructions to the States on how to apply for allocations from the Boating Safety Account for FY 88 pointedly omitted any reference to public access and strongly inferred that the Coast Guard would rather that the States spend their share on law enforcement, education, and other purposes which the Coast Guard considers to be traditionally marine safety. Clearly this is an excess of authority. The legislative history of the Wallop-Breaux Act shows that Congress found public access to be part of boating safety without need of demonstration on a case by case basis. (See excerpts from U.S. House Merchant Marine and Fisheries Committee Report 98-133, Part 1 appended to this statement.)

It is our contention that the Coast Guard ought not to be allowed to prejudice or frustrate the States' use of the Boating Safety Account as a source of funding public access. Therefore, we ask for a reaffirmation of the States' discretionary authority to access the Boating Safety Account for public access without the red tape of having to substantiate to the Coast Guard how each and every project is directly linked to the improvement of boating safety.

Ironically, the Coast Guard's own figures indicate that there is no threat that the States by and large will choose to commit their share of the Boating Safety Account to public access in preference to other programs to which the Coast Guard assigns higher priority. Since the inception of the Wallop-Breaux Fund, only 8 States have looked to the Boating Safety Account for public access money; the total amount obligated by them for public access has been only 5 1/2 percent to barely more than 10 percent of the Boating Safety Account for any one year.

Under the circumstances, it may be asked, why not transfer complete jurisdiction over public access to the U.S. Fish and Wildlife Service under the Sport Fish Restoration Account of the Wallop-Breaux Fund, which already obligates the States to spend at least 10 percent of their allocations on motorboat access to fishing waters, relieve the Coast Guard of its unwanted administrative responsibility, and be done with it? The difficulty with that approach, which the States Organization for Boating Access has pointed out to us, is that the Sport Fish Restoration Account is a conduit for federal aid to State fish and game agencies exclusively. Consequently, any State agency active in public access construction and maintenance outside the realm of fish and game would have no direct accessibility to participation in the Sport Fish Restoration Account. Also, it is highly likely that State fish and game agencies would object to "outsiders" piggybacking on what they perceive to be exclusively their reserve. Consequently, if public access were eliminated as a fundable element of the Boating Safety Account and the Sport Fish Restoration Account became its sole funding source, some provision would have to be made to ensure continued funding for non-fish and game agencies. That could be done in different ways: one, by transferring from the Boating Safety Account to the Sport Fish Restoration Account an amount equivalent to an average of what States have spent on public access from the Boating Safety Account since the inception of the Wallop-Breaux Fund; or (2) by dedicating the authorized but unappropriated amount of the Boating Safety Account which spills over to the Sport Fish Restoration Account, to be used solely for boating access in which non-fish and game agencies may participate and for other boating related programs.

Thank you for your consideration of NMMA's viewpoint on the future of adequate funding of recreational boating safety and public access programs.

tax imposed under the internal revenue laws, in such manner, at such times, and under such conditions as he may prescribe; and he shall prescribe the manner, times, and conditions under which the receipt of such tax by such banks, trust companies, domestic building and loan associations, and credit unions is to be treated as payment of such tax to the Secretary.

(d) Time for Payment of Manufacturers Excise Tax on Sport Fishing Equipment.—The tax imposed by section 4161(a) (relating to manufacturers excise tax on sport fishing equipment) shall be due and payable—

(1) in the case of articles sold during the quarter ending December 31, on March 31,

(2) in the case of articles sold during the quarter ending March 31, on June 30,

(3) in the case of articles sold during the quarter ending June 30, on September 24, and

(4) in the case of articles sold during the quarter ending September 30, at such time as the Secretary may by regulations prescribe.

[(d)] *(e)* Cross references.—

(1) For treatment of earned income advance amounts as payment of withholding and FICA taxes, see section 3507(d).

(2) For depositary requirements applicable to the windfall profit tax imposed by section 4986, see section 4995(b).

○

96th Congress } HOUSE OF REPRESENTATIVES { Rept. 96-
1st Session } { 133 Part 1

FEDERAL BOAT SAFETY ACT AMENDMENTS

May 16, 1979.—Ordered to be printed

Mr. Jones of North Carolina, from the Committee on Merchant Marine and Fisheries, submitted the following

REPORT

[To accompany H.R. 2163]
[Including cost estimate of the Congressional Budget Office]

The Committee on Merchant Marine and Fisheries, to whom was referred the bill (H.R. 2163) to amend the Federal Boat Safety Act of 1971, and for other purposes, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

On page 1, strike out line 3 and insert the following:

"Title I—Amendments to the Federal Boat Safety Act of 1971

"Sec. 101. Section 2 of the Federal Boat Safety Act of 1971 is".

On page 2, line 17, strike out "Sec. 2." and insert "Sec. 102.".

On page 4, line 13, strike out "Sec. 3." and insert "Sec. 103.".

On page 6, strike out lines 1 and 2 and insert the following: "(D) acquiring, constructing or repairing public access sites used primarily by recreational boaters;".

On page 6, strike out lines 10, 11, and 12 and insert the following: "(H) providing State boat numbering or titling programs.".

On page 6, lines 17 and 18, strike out "in such fiscal year".

On page 6, line 20, strike out "for" and insert "by".

On page 6, after line 22, insert the following:

Sec. 104. (a) Section 202 of the Recreational Boating Fund Act of 1980 (46 U.S.C. 1479a) is amended to read as follows:

"SEC. 202. ESTABLISHMENT OF NATIONAL RECREATION BOATING SAFETY FUND

"There is established in the Treasury of the United States a separate fund to be known as the 'National R[illegible]ational Boating Safety Fund', consistin[illegible] f such amo[illegible] as may be paid into it as provided in [illegible]

In light of the inability of the states to raise their fishery agency operating revenues from sport fishery license fees, and from general revenues, the state fishery management agencies, together with fishermen and tackle manufacturers, sought to increase the funding source of the D-J program. It is this effort that stimulated the introduction of legislation to increase the funds available to the states through the Dingell-Johnson program.

DESCRIPTION OF THE AMENDMENT

The amendment to H.R. 2163 contained one minor change to the text of Title I, while creating a new Title II which incorporates in the legislation certain provisions similar to those originally contained in H.R. 1724.

The change to Title I consisted of an alteration in the description of one of the purposes for which funds authorized for state boating safety programs may be used. The bill, as introduced, permitted funds to be used for "improving boating safety by constructing or repairing public access sites used primarily by recreational boaters." The amendment changed the wording to read "acquiring, constructing, or repairing public access sites used primarily by recreational boaters." The language was thereby broadened to permit the "acquisition" of public access sites, and to remove as unnecessary the explicit linkage to the improvement of boating safety. The "public access" provision was also moved from (H) to (D) in its order of presentation in the bill for the purpose of indicating the intent of the Committee that the use of funds for this purpose be accorded proper priority.

Title II incorporates, in large measure, the provisions of H.R. 1724 relating to the Federal Aid in Sport Fish Restoration Act. Any funds derived from the tax on motorboat fuels not appropriated to the boating fund are placed in the general fund of the Treasury and an amount equal to these unappropriated funds is authorized to be made available to the Sport Fish Restoration Program. The amendment also expands the current tax on certain fishing tackle items to include all tackle items used for recreational fishing. Amounts equal to this tax, as well as import duties on fishing tackle and recreational boats, are also authorized to be made available for projects under the Federal Aid in Sport Fish Restoration Act.

In addition to these changes in the funding mechanism, the amendment makes a number of changes in the administration of the Sport Fish Restoration program. It requires the states to allocate funds resulting from the enactment of H.R. 2163 between marine and freshwater fish projects in the same proportion as the estimated number of freshwater fishermen bears to marine fishermen. The amendment also reduces the allowable administration expenses from eight percent to six percent and provides for the funding of projects on a multi-year basis. Finally, the amendment requires the states to allocate at least ten percent of the funds available to them to projects that create, improve, or provide access to the waters of the United States and authorizes the expenditure of up to 10 percent of the funds available to any state for aquatic resource education programs.

SECTION-BY-SECTION ANALYSIS

TITLE ONE

Section 101

Section 101 of the bill amends and restates the policies and purposes of the Federal Boat Safety Act of 1971 (Public Law 92-75, 85 Stat. 213), as amended, recognizing the important role of the states in boating safety. Additional emphasis is given to the need for continued coordination and cooperation between the federal government and the states in administering and enforcing federal and state boating laws. Recognition is also given to the need to use revenues generated by motorboat fuels taxes equitably and in a manner which enhances boating safety.

Section 102

Section 102 amends the Act by eliminating the definition and the description of state recreational boating facilities programs. All references made to facilities programs are eliminated through conforming amendments.

Section 103

Section 103 retains the authorization in present law for the Secretary of Transportation to enter into contracts to implement boating safety programs, but eliminates the authority for facilities programs. Two-thirds of the money in the Boating Fund is to be made available for state boating safety programs.

The Secretary is required to establish guidelines prescribing purposes for which funds available for the boating safety programs may be used. These purposes include the provision of facilities, equipment and supplies for boating safety education and law enforcement; training and education in boating safety and the enforcement of boating safety laws; the acquisition, construction and repair of public access sites used primarily by recreational boaters; providing boat numbering or titling programs; conducting boating safety inspections and accident investigations; establishing and maintaining state capabilities to provide emergency or research and rescue assistance; and establishing and maintaining aids to navigation.

It is the intent of the Committee that the types of navigation aids that would be covered by the state programs would be those that would mark state waters, marinas, and other areas of concern to each local interest and not necessarily replace the general aids to navigation functions performed by the Coast Guard along our coasts and on the rivers. Further search and rescue assistance might include state expenditures not only for the usual small boat search and rescue services but also authority for states to use helicopter services and other contract or in-house services appropriate for search and rescue programs.

In addition, one-third of the money in the Fund is to be available to the Secretary for expenditure each year out of the operating expenses account of the Coast Guard for services provided by the Coast Guard for recreational boating safety, including services provided by the Coast Guard Auxiliary. Funds collected will become available to the Secretary immediately upon tra[illegible] and shall [illegible] in available until expended.

set aside. Examples of projects would include, but not be limited to: launching facilities, such as ramps and boat lifts; docking facilities; breakwaters; and fishing and boating lakes and ponds (provided power boats are permitted). The Committee also intends that these funds be available for such additional amenities as fish cleaning stations, restrooms, trash receptacles and parking areas. Engineering costs, as well as the costs of environmental assessment and permit applications, could also be included in the project costs. The Committee does not intend that these set aside funds be the only source of public access, acquisition, construction, repair, or maintenance. Access and safety related facilities will also be constructed with boating safety funds and other D-J expenditures. If any state does not utilize the set aside for access, these funds will be available for the subsequent fiscal year. Any funds not used after two years will be made available to the Fish and Wildlife Service for sport fishery research projects.

The second amendment to Section 8 of the Act authorizes the use of up to ten percent of a state's allocation under the Act for aquatic resource education programs. The purpose of this provision is to encourage programs that increase public understanding of the nation's water resources and aquatic lifeforms. The Committee intends that these funds be available for a broad range of education programs, including programs designed for presentation to civic groups and volunteer organizations as well as programs designed for educational institutions.

Chapter B

Chapter B makes a series of amendments to the Internal Revenue Code that extend the current tax on certain fishing tackle items to virtually all items of fishing tackle.

Subsection (a) would apply the tax, at the level of three percent, to electric trolling motors and electric fish finders (other than digital depth finders). The Committee notes that these two items represent major advances in fishing technology in recent years and have increased the pressure on sport fish populations. Thus, the Committee believes that it is particularly appropriate to include these items among those taxed. The Committee recognizes that, with electric fish finders, there may be some difficulty in determining the value of a fish finder component in a more complex electronic system that includes other functions. However, the Committee does not believe that this is an insurmountable regulatory obstacle to applying the tax to these items.

Subsection (b) of Chapter B would amend the Internal Revenue Code definition of fishing tackle to include all fishing tackle items, other than fish finders and trolling motors. The Committee sees no logic in taxing certain fishing tackle items and not taxing others. The tax, however, is only applicable to manufactured items and would not apply to natural baits, such as pork rinds, minnows, insects or corn.

Subsection (c) is a clerical amendment.

Subsection [illegible]) amends [illegible] Internal Revenue Code to allow for payment of [illegible] s on tack[illegible] at the end of the fiscal quarter following the quarter in which the items were sold. This provi[illegible]

seeks to alleviate the economic hardships caused by requiring payment for the excise tax prior to the receipt of sales payments due.

Subsection (e) states that the amendments made in the preceding four subsections take effect on December 31, 1983.

During the course of consideration of the tax provisions of this legislation, the Committee heard numerous concerns raised by the fishing tackle industry that the tax on tackle items, placed as it is on the first sale of the item, gives a competitive advantage to companies that import products. The Committee on Merchant Marine and Fisheries believes that the concerns of the tackle manufacturers are warranted and urges the Ways and Means Committee, during the course of its consideration of the tax provisions of this legislation, to address these inequities.

COST OF THE LEGISLATION

The estimated total cost of Title I of the legislation is $225 million, over five fiscal years. Of this amount, two-thirds, or $150 million, would be available for state boating safety programs, while the remainder would be provided to the operating expenses account of the U.S. Coast Guard. These expenditures will be derived solely from federal revenues generated by the 4¢ per gallon tax already being collected on motorboat fuel, and will not, therefore, place any additional burden on the taxpayer or consumer. The provision authorizing $75 million over five years for operating expenses of the Coast Guard should actually reduce the demands for funds from general revenues by this amount.

The estimated cost of Title II, over the next five years, is expected to be approximately $320 million. Of this amount, $10 to $23 million is expected to be generated from the expansion of sport fishing equipment taxes and the remainder will come from diversion of motorboat fuel taxes in excess of the amount appropriated for the National Recreational Boating Safety Fund each year.

The Committee has reviewed the cost and outlay estimates of the Congressional Budget Office and believes them to be reasonable.

INFLATIONARY IMPACT STATEMENT

Pursuant to Clause 2(l)(4) of Rule XI of the Rules of the House of Representatives, the Committee has assessed the potential for inflationary impact of the legislation upon prices and costs and found that such impact would be minimal.

COMPLIANCE WITH CLAUSE 2(l)(3) OF RULE XI

With respect to the requirements of clause 2(l)(3) of Rule XI of the Rules of the House of Representatives:

(a) During the course of 1981, the Subcommittee on Coast Guard and Navigation held a comprehensive series of oversight hearings on all phases of Coast Guard operations and procedures. These hearings resulted in the preparation and release of [illegible] oversight re[illegible] entitled "Semi-Paratus: The United States Coa[illegible] uard 1981".

STATEMENT OF
STATES ORGANIZATION FOR BOATING ACCESS
BEFORE THE MERCHANT MARINE AND FISHERIES COMMITTEE, U.S. HOUSE OF REPRESENTATIVES, APRIL 26, 1988

The various states have a strong interest in recreational boating facilities and want to see continued the current inclusion of boating access as an element of marine safety. The formation two years ago of the States Organization for Boating Access is a strong indicator of that interest. The purpose of the organization is stated in Article II of its Constitution:

> Section 1. The purpose of the organization shall be to promote the acquisition, development, and administration of recreational boating facilities by providing a medium for the exchange of views and experiences; by fostering private, interstate and federal-state cooperation and coordination in boating facility design, construction, and financing; by exchanging views, ideas, concepts, and experiences relating to all aspects of recreational boating facilities; by seeking new and preserving existing funding sources supporting the construction, operation, and/or maintenance of recreational boating facilities; and by increasing efficiency in the acquisition, construction, maintenance, and administration of recreational boating facilities.

At the present time, 30 states are members of SOBA and I am speaking in behalf of each of their boating facility programs in making this appearance today.

When the Wallop-Breaux Act was being considered, the states asked that funds for boating access be provided through boating safety appropriations as well as through the Fish Restoration and Management Program. This is because the latter tends to be administered in many states by agencies largely, if not solely, concerned with sport fishing programs. Although Congress mandated that no less than 10 percent of the total funds appropriated under the Fish Restoration and Management Program be spent for boating access, the tendency in many states which historically have utilized all funds from this source for sport fishing programs, has been to limit boating access expenditures to the required 10 percent.

As a result, the availability of funds through the state's boating safety program has been an important resource to many states. We believe the concept has worked well and encourage Congress to continue it when it considers reauthorization of boating safety legislation.

In addition to this action, however, we believe that additional action by Congress could strengthen this aspect of boating safety. For example, the total authorization to the various states for boating safety has never been appropriated in any year by Congress. To encourage such action by the Appropriation Committees, we would like Congress to authorize funds to the states for boating safety purposes to carry over from year to year. This would, in our judgment, greatly increase the provision of boating access by the various states.

The initial authorization of $45 million for boating safety purposes, with $30 million assigned to the states and $15 million to the U.S. Coast Guard, was based on then current estimates of need. Congress authorized the Coast Guard an additional $15 million for fiscal year 1986, payable out of the Wallop-Breaux Fund, and repeated this authorization for FY 1987. This was done ostensibly to cover the Coast Guard's recreational boating safety program costs. To the best of my knowledge, the costs of these programs to the Coast Guard have never been formally established and reviewed by anyone outside of the Coast Guard staff.

The states' authorization was based on current boating safety program activities specifically including the acquisition, construction, and/or repair of boating access as an acknowledged element of the safety programs of the individual states. In spite of the fact that Congress specifically defined boating safety to include boating access facilities, the Coast Guard has obviously never been comfortable with inclusion of these facilities. They have downplayed this aspect of boating safety in the past, have adopted unwarranted eligibility requirements, and have generally made it difficult for the individual states to secure funds for this purpose. In the past year, the Coast Guard has indicated its belief that boating access is not a safety element and has adopted criteria of its own limiting the intent of Congress in this regard.

It is my personal belief that the Coast Guard is uncomfortable with inclusion of boating access as an element of a state's boating safety program because the Coast Guard has no experience or expertise in this area. They have acted to utilize the experience of the U.S. Fish and Wildlife Service by entering into an agreement with that agency whereby it inspects sites funded through the Federal Boat Safety Act. Since the USFWS already administers boating facility grants, this action of the Coast Guard is an important first step towards placing responsibility for such facilities in a single agency. It would be our hope that this agreement would be expanded to use the expertise of the USFWS in the facilities area. In any event, we encourage the Congress to include requirements in reauthorization legislation requiring the Coast Guard to provide greater accountability in the area of boating access by making appropriate reports of funds expended by the states for boating facilities. Such information is nearly impossible to acquire at the present time.

Provision of boating access not only provides increased recreational opportunities, it also stimulates the local economy. A study by Michigan State University of boating in Michigan in 1981 found that a 100-boat marina generated $582,229 in spending by boat owners storing their boats at the facility. Inflation has brought this figure closer to $700,000 today, and the study did not consider the value of new boats purchased as a result of the provision of new storage opportunities.

Likewise, boat launching ramps draw people from other areas to the site of the ramp which, in turn, impacts on the local economy. A study of a state-owned launching facility providing parking for upwards of 150 car-trailer units found an increase in direct and indirect spending in the area of some $200,00 a year. There are indications that there have been even more successful sites of this nature elsewhere in the country but no formal evaluations of this nature have been completed.

In conclusion, we believe Congress acted wisely in expanding the definition of boating safety to include provision of boating access. It is our hope that this inclusion will be continued and even enhanced through the reauthorization process.

○